

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Thursday April 7 1983

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No. 29,042

Why Japan protects its farmers, Page 6

## NEWS SUMMARY

### GENERAL

## Reagan attacks Democrat 'budget'

U.S. President Ronald Reagan yesterday criticised the Democrats' economic and budgetary policies and said they would "undo the country's economic recovery".

Mr Reagan was speaking in Pittsburgh, as the Republican-controlled Senate began drafting its version of next year's budget, which is almost certain to differ from the President's by calling for a significantly lower increase in defence spending.

### Falklands visit

About 500 members of British servicemen, held in the Falklands conflict, sailed from Montevideo, Uruguay, for the South Atlantic islands.

### Thai press attack

Thai border commanders were considering sending a second wave of fighters against Vietnamese troops who crossed their border with Kampuchea. Major-General Phichum Phiboonphawat confirmed that the Thai airforce had dropped napalm.

### War warning

Marshal Victor Kulikov, commander of the Warsaw Pact forces, said the U.S. was preparing for another world war and warning on emerging world war.

### High court wrangle

A constitutional wrangle began between Australia's Federal Government and the Tasmanian State Government over plans to build a hydroelectric dam in a beautiful wilderness region.

### Conscript plans

French Government announced plans to allow conscripts to serve longer in the army as part of its efforts to cut unemployment.

### Dike work stops

Construction work on dikes covering 3,000 hectares of Germany's North coast was stopped after a court ruled they would cause severe flooding.

### Passport bid

Former Rhodesian premier Ian Smith said he has applied for a British passport so he can fly to South Africa for medical treatment. His father was British.

### Drug ring smashed

Amsterdam police said they had smashed a major Pakistani heroin connection after the arrest of nine people and the seizure of 9.5 kg of heroin.

### Hunt for gunman

Dutch police were hunting a gunman who shot dead six people and wounded four others in a crowded Delft cafe.

### Israeli honours

Israel honoured 56 heroes of the war in Lebanon. Twelve of the medals for courage, initiative and devotion to duty were awarded posthumously.

### Briefly...

32 Seychelles soldiers pleaded guilty to taking part in an uprising last August.  
Bavaria is considering asking for Communist Party members to be banned from Government service.  
Five people were killed and about 1,000 left homeless after armed gangs attacked villages in Assam, northern India.

### BUSINESS

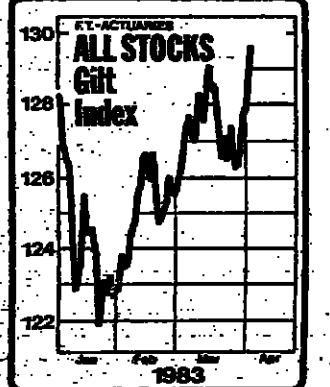
## BL signs joint car pact with Honda

● BL and Honda signed an agreement in Tokyo yesterday committing both companies to the joint executive car project planned for launch in 1985. At the BL assembly plant in Cowley, England, an overwhelming vote by 5,000 workers to continue their strike over "washing up time" dashed hopes of an early end to the protest. Page 8

● WALL STREET: Dow Jones index closed down 6.57 at 1113.49. Page 37. Full share listings, Pages 38-40

● LONDON: FT Industrial Ordinary index rose 9.9 to 663.9. Government Securities rose 1.86 to 82.03, its highest level since November. Page 37. FT Share Information, Pages 42, 43

● TOKYO: Nikkei Dow index gained 58.86 to close at 8,478.4 and the Stock Exchange index was up 3.06 to 613.55. Report, Page 37; prices, Page 40



● GOLD fell \$2.5 in London to \$427.5. In Frankfurt it fell \$0.75 to \$426.5 and in Zurich it closed unchanged at \$427.5. In New York the Comex April settlement \$428.8 (528.8). Page 41

● STERLING rose 1.2 cents to close at \$1.5145. It was also firm at DM 3.66 (DM 3.64). SwFr 3.185 (SwFr 3.182). FFr 16.955 (FFr 16.955) and Y25.5 (Y25.7). Its trade-weighted index was 80.9 (80.3). In New York sterling closed at \$1.5150. Page 44

● DOLLAR closed lower at DM 2.415 (DM 2.420). SwFr 2.285 (SwFr 2.287). FFr 7.2375 (FFr 7.235) and Y23.2 (Y23.7). Its trade-weighted index was 122 (122.4). In New York the dollar closed at DM 2.415; FFr 7.245; SwFr 2.2475 and Y23.7. Page 44

● THYSEN INDUSTRIE, capital goods division of Thyssen group of West Germany, said orders booked in the first half of the year were down 9 per cent to DM 1.9bn (\$785m). Page 21

● CARREFOUR, France's leading supermarket group, announced profits up 13.3 per cent at FFy 408m (\$58m). Page 21

● BALDWIN-UNITED, troubled U.S. financial services group, reported a fourth quarter loss of \$17.8m before realised gains. Page 21

● BTR's bid to acquire a 14.99 per cent stake in Thomas Tilling turned into a stock market siege yesterday as BTR brokers again fell short of their buying target.

● BANK LEHMI, Israel's largest banking group, announced net profits up 30 per cent to \$102.8m. Page 22

● EUROPEAN Commission reported growing optimism among EEC businessmen which it said augured well for a sustained recovery.

● ISRAEL is to increase its exports subsidy by about \$150m, funded by a 1 per cent levy on Israeli foreign currency purchases. Page 6

● COMMERCIAL Bank of Korea announced after-tax earnings down from \$42m in 1981 to \$13.5m last year.

● TURKISH Finance Minister Adnan Baser Kafaloglu met the country's top bankers to discuss changes in the financial sector. Page 3

## Ustinov claims Europe is 'nuclear hostage'

BY LESLIE COLTIN IN BERLIN

MARSHAL Dmitri Ustinov, the Soviet Defence Minister, claimed yesterday that the U.S. was turning its European NATO allies into "hostages" to its nuclear strategy and was exposing them to a Soviet "nuclear counter-attack."

Marshal Ustinov warned that, if the new U.S. medium range nuclear missiles due to be deployed in Western Europe were used, the Soviet "counter-attack could be the last one" for most West European countries.

The governments of the West should bear this constantly in mind,

he said. The U.S. also would not go "unpunished."

The Soviet defence chief was speaking to Soviet and East German troops at a military camp in the Erfurt district close to the West German border. He is heading a Soviet military delegation touring East Germany.

The "nuclear weapons question" in Europe could be solved only on the basis of equality and equal security, Marshal Ustinov said. The Soviet Union did not want a "single missile, a single plane more than on the NATO side."

He said this goal would be served

to an even greater extent by the Soviet proposal to reach an agreement banning all types of nuclear weapons aimed at targets in Europe, including medium range missiles and tactical missiles. This, he noted, would be the "absolute zero" for both sides.

Meanwhile, Warsaw Pact foreign ministers gathered in Prague yesterday for a two-day meeting expected to give the seven-nation Communist alliance's full backing to Kremlin policy on nuclear missiles in Europe. AP reports from Vienna.

Prague radio reported that Mr

Andrei Gromyko, the Soviet Foreign Minister, and his colleagues from Bulgaria, East Germany, Hungary, Poland and Romania had arrived in the Czechoslovak capital.

Diplomatic sources in Prague believed they were certain to endorse Soviet proposals for limiting medium-range nuclear missiles in Europe and to support Moscow's reasons for rejecting a recent compromise offer by President Reagan.

Last Saturday, Mr Gromyko dismissed the Reagan proposal, which envisaged leaving equal numbers of medium-range warheads in the

hands of each superpower in the short term.

The Warsaw Pact ministers may also develop a proposal for a non-aggression treaty with NATO outlined at a summit meeting of Communist party and government chiefs, in Prague last January, diplomatic sources said.

The summit session instructed the foreign ministers to begin work soon on the proposed pact, under which both alliances would pledge not to be the first to use any kind of military force, either nuclear or conventional.

Editorial comment, Page 18

## Banks agree to Mexico's debt plan

BY WILLIAM CHISLETT IN MEXICO CITY

INTERNATIONAL banks yesterday agreed to reschedule short-term foreign currency debt over the medium term. It also makes the Mexican authorities themselves responsible for ensuring that currency is available to repay the rescheduled debt of private sector companies.

Bankers said they had no alternative but to go along with the scheme, although it was a forced rescheduling, since the Government's options were extremely limited. "It's the only solution," said one European banker.

Another banker, with the majority of his loan portfolio out to the Mexican subsidiaries of foreign companies, said that banks in the same position could call on the security given by the parent company.

But this, he said, would only damage banks' relations with parent companies that had been carefully built up over the years and could jeopardise future business.

A U.S. banker said that at least the private companies had now been crystallised and banks as well as companies could finally begin to plan ahead.

Under the scheme private sector companies which agree to reschedule their debts for a minimum period of six years will be able to purchase dollars forward from the Bank of Mexico to repay the rescheduled debt on maturity. The dollars will be made available at a subsidised rate below the controlled rate which is presently 100 pesos to the dollar.

This will mitigate the foreign exchange risk incurred by companies

who agree to reschedule short-term foreign currency debt over the medium term. It also makes the Mexican authorities themselves responsible for ensuring that currency is available to repay the rescheduled debt of private sector companies.

Separately the Bank of Mexico has undertaken to make dollars available at the controlled rate of 100 pesos to companies needing them to meet interest payments on their foreign debt.

Companies which avail themselves of this facility will also have to pay the controlled rate when purchasing dollars forward to cover obligations on rescheduled debt. The Bank of Mexico has promised to make peso loans available to those companies which cannot find the cash for the scheme.

At the moment most of Mexico's private companies, some of them the victims of bankruptcy because of the country's acute liquidity crisis, heavily devalued peso and economic recession, are way behind on repayments of principal and are struggling to pay interest.

Companies are currently having to buy dollars for debt repayments at the controlled rate and in some cases at the free rate of almost 150 pesos to the dollar as dollars are in short supply.

● The Mexican Government and

Continued on Page 20

## Mauroy pledges to cut inflation

By David Marsh in Paris

M. PIERRE MAUROY, the French Prime Minister, made a strong parliamentary defence of his Government's package of austerity measures yesterday and pledged to reduce the country's inflation rate to 5 per cent by the end of next year.

Braving a storm of harracking from right-wing deputies, M. Mauroy launched the opposition by recalling that the 14 per cent inflation rate inherited by the Socialists two years ago had since fallen to less than 10 per cent.

But, in a speech marking the opening of the spring session of the National Assembly, M. Mauroy admitted that the Government's employment objectives would be harder to achieve as a result of the tax increases and public spending cuts unveiled last month.

The Government decided at the weekly cabinet meeting yesterday morning to rush the most important measures on to the statute book by decree rather than submit them to parliamentary procedures.

This will provide the legal framework for the special FFy 14bn (\$1.9bn) obligatory loan to be raised from taxpayers, the 1 per cent levy to finance the social security system and the new taxes on tobacco and petrol.

This move was used at the end of 1981 to pass into law important Continued on Page 20

## Rise in £ lifts hopes of UK interest rate cut

BY JEREMY STONE IN LONDON

STERLING's rally went into its sixth day yesterday, as some genuine enthusiasm for the pound and easier rates in the London money markets revived hopes of a further cut in British banks' base lending rates.

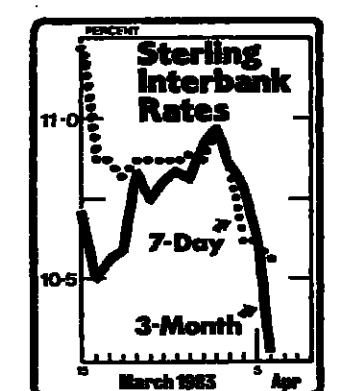
Sterling was again very strong against all the main currencies, gaining a further 0.5 on the Bank of England's trade-weighted index, to close at 80.8. This was its highest effective exchange rate, measured against a basket of currencies, since the second week of February. Sterling's effective rate has now recovered by more than 3.6 per cent since its low point of last week.

Against the dollar, which ended marginally lower in London after recovering from sharp early reverses, sterling was 1.2 cents higher at \$1.5145. Sterling also gained 2 pence to close in London at DM 3.68.

Dealers again reported demand for sterling from non-bank customers, but said that they saw little beginning to accumulate long positions in sterling. At the same time there probably are still sizeable short positions in the market, although much of sterling's status as an "oversold" currency has been purged this week.

It was noted that when profit-taking set the price of sterling lower towards midday buyers quickly re-emerged, and the highest prices were not registered until after the U.S. markets opened.

The seeming robustness of the exchange rate took some of the pressure off UK interest rates, which have been closely tethered to



sterling for several months. The government securities market added to its gains of the previous day, with long-dated gilt-edged stocks rising by as much as 1/4 points. Much shorter rates also headed downwards.

In the London interbank market three-month money was more than 1/4-point cheaper by the end of the day, at about 10 1/4 per cent. This is close to levels at which the London clearing banks might begin to review their base rates, with an eye to cutting them by another half-point. But their experience of unstable market rates since the last such cut, on March 15, may make them cautious about repeating the move.

Both sterling and the prospect of lower bank base rates would suffer if U.S. interest rates began to rise again, in the view of most market operators.

Lex, Page 20; Eurobonds, Page 21; Money Markets, Page 44

## Fall in world oil price could cost Soviet Union \$3bn

BY LESLIE COLTIN IN BERLIN

THE DROP in the world price of oil could cost the Soviet Union \$3bn in hard currency earnings this year. The estimate, made in a West German analysis of Soviet oil exports to the West, is based on an average Western spot price of around \$28 per barrel.

The Institute for East European and International Studies in Cologne noted that last year the Soviet Union exported 64m tonnes (470m barrels) of oil and oil products to the West which earned it \$18bn. This was some 80 per cent of Moscow's hard currency earnings.

The author of the report Dr Jochen Bethkenhagen said the Soviet Union is losing \$500m for every \$1 fall in the international price of oil.

The Comecon specialist said the Soviet Union could not compensate for this loss in convertible currency by boosting oil exports to the West.

Soviet oil production is rising only marginally while domestic oil consumption continues to grow. Moscow would also find it extremely difficult to reduce oil supplies to Eastern Europe further than the 10 per cent affected in 1981.

The West German analyst noted the Soviet Union would also be unable to make up for the fall in its hard currency earnings by the planned increase in its natural gas exports to the West. This is when the Soviet gas pipeline from the Urengoi fields to Western Europe is scheduled for completion.

Dr Bethkenhagen explained that instead of the 40m cubic metres of gas which Moscow had hoped to sell to Western Europe annually, France and West Germany had only contracted to buy 20m cubic metres. He calculated that this could earn Moscow some \$2.5bn a year.

It would be several years, however, before this volume was achieved, if at all, he noted. Gas consumption was falling in the two western countries and the contract permits them to buy up to 20 per cent less gas.

Dr Bethkenhagen also noted that the Soviet Union could not appreciably boost gold sales in the West without depressing the metal's price. Moscow's main option, would be to seek Western loans to make up the shortfall in oil income he added.

Bank for International Settlements statistics showed that at the end of September 1982 Moscow's net debt to Western banks was \$6.3bn, or less than that of East Germany. This made the Soviet Union a very good credit risk, the Comecon specialist maintained.

His analysis concluded that of the East European countries only Romania was profiting from falling world oil prices. It stood to gain \$350m this year at a Western spot price of \$28 per barrel. This would cover one third of the annual interest payments on Romanian debt to Western banks.

The other Comecon countries are not affected by the fall in world oil prices because they purchase only 10 per cent of their oil in the West. Dr Bethkenhagen calculated that on the basis of an average Western price of \$28 a barrel, the price of the oil which the Soviet Union supplies to its Comecon partners next year will rise more slowly than previously estimated - to \$28.10. The inter-Comecon price of Soviet oil is calculated on a sliding five-year average of the world oil price.

UK petrol price prospects, Page 8

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## EUROPEAN NEWS

## Business confidence on rise in EEC

By Larry King in Brussels  
PROSPECTS for an economic recovery in the European Community have been heightened by a marked improvement in confidence among industrialists, the European Commission says in its latest business survey.

While there were signs of an increase in economic activity towards the end of last year in West Germany, France and the Netherlands, economic expectations are now also rising in Britain, Italy and Ireland, it says.

The Commission adds a caution, however. Rising expectations early in 1982 were accompanied by only a short-lived upturn.

Nevertheless, falling interest rates and oil prices, reduced stock levels and lower inflation forecasts are all factors now favouring recovery.

The EEC's "composite economic sentiment indicator," based on surveys of consumers, chief executives and on stock exchange prices, rose by 0.5 percentage points in February. This compares with a 5-point fall from the mid-1979 peak to the late-1981 trough.

For Britain, the indicator improved by 0.2 points, with marked advances in industrial confidence and in share prices being partly offset by a dampening in consumer confidence.

EEC industrial order-book assessments improved by 2 points, and, while construction executives indicated little change in their economic expectations, the demand for building labour appears to have strengthened.

On the other hand, manufacturing capacity utilisation is showing a further decline—down by 0.4 points in the first quarter of this year against the last quarter of 1982.

In a separate report the Commission says the EEC's seasonally adjusted industrial production index for January was 111.0 (1975=100), representing a 1.3 per cent rise on the preceding month.

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## Living standards pay cost of Romanian financial turnaround

BY DAVID BUCHAN, RECENTLY IN BUCHAREST

THE ROMANIAN Government has chalked up a handsome trade surplus and is mending fences with its Western creditors, largely at the cost of its citizens' standard of living. That has brought little joy to the man in the Romanian street, but it has satisfied the International Monetary Fund, which recently gave Romania the go-ahead to continue drawing on its IMF standby credit.

Romania swung from being \$1.5bn in the red on its hard currency trade in 1980, to \$1.5bn in the black last year. Some of the means by which this turnaround was achieved were

dubious: import cuts imposed by trading partners suspicious of Romanian payments and a counter-trade law sometimes requiring foreign companies to buy 100 per cent of the value of what they sell to Romania.

But the upshot was a current account surplus of \$650m, a reduction in foreign indebtedness to \$9.7bn and the rebuilding of reserves to \$587m, the highest level in years, by the end of 1982.

"We don't intend to let this improvement slip away," says Dr Iulian Bituleanu, the Deputy Finance Minister, who forecasts a hard currency trade

surplus this year of \$1.6bn and a current account surplus of \$800m.

He also says that Romania has learnt the lesson of its frantic reshuffling negotiations with Western banks last year. "We are going to respect our engagements," he insists, though several Western companies still complain that they have not been paid.

Romanian planning targets are like mirages and are rarely reached. Exports this year, for instance, are supposed to grow 18 per cent overall (19.2 per cent in hard currency). That is a formidable goal, even were the country not due to lose its

"most favoured nation" tariff treatment this summer from the U.S. because of the emigration tax row.

Mr Constantin Parvutu, a Foreign Trade Ministry director, admits there are few alternative markets for the steel and textiles which Romania has been shipping to the U.S. There are few signs, too, of Romania winning better trading treatment from its partners in Comecon.

However, given the priority which President Nicolae Ceausescu has put on improving the country's external financial balance, and thus paying off foreign debt, the export targets

may be more plausible than others. National income grew by 2.6 per cent and industrial production by 3.3 per cent last year, about half the planned rate but scarcely surprising in view of the IMF-encouraged 2.5 per cent reduction in investment.

Yet, with only a 0.7 per cent investment increase this year, the Bucharest planners are forecasting that national income will rise 5 per cent, and industrial production 8 per cent.

Some of these targets may be inflated by expected price rises. What is clear, though, is that recent price increases have eaten into Romanians' real

incomes, without so far stimulating much extra output. Thus, supplies may be marginally better than a year ago, but meat is very scarce and some basic foodstuffs are still rationed.

Like many other governments, the Ceausescu regime is anxious to stress that it, not the IMF, is setting the pace for any economic reform. That thesis is questionable in the Romanian case. But some recent changes have gladdened the IMF's heart. One is what Mr Bituleanu calls a system of "better signals" to producers and consumers, higher prices to stimulate output (food) or dis-

courage waste (energy), and scrapping the old system whereby workers could always count on 80 per cent of their basic pay scale, whatever their productivity.

One particular success of the IMF has been to win Romanian agreement on rationalisation of the exchange rate. Romania has agreed that on July 1 it will value its currency, the lei, according to a trade-weighted basket of convertible currencies and periodically adjust it thereafter, and that it will narrow the gap between the commercial and tourist exchange rates for the lei.

David Marsh and Paul Betts profile Jacques Delors, France's Economy Minister

## Straight-and-narrow man of the Left

ON THE face of it, M Jacques Delors, France's Minister of Economy, Finance and the Budget, seems an unlikely person to emerge as the strongman of the Socialist Government.

A man of impeccable manners, puckish humour and a lugubrious insistence on sticking to the economic straight-and-narrow, the architect of the country's recent package of austerity measures disclaims any of the traditional politician's yearning for power and prestige.

"His only political ambition," says a close colleague, "is to show that he is right."

Yet during the past month of dramatic economic policy decisions in France, M Delors has become President Francois Mitterrand's right-hand man.

During the turbulent period surrounding the Brussels negotiations on the European monetary system and the cabinet changes a fortnight ago—a period in which the very future of the EEC hung in the balance—M Delors saw Mitterrand no less than 10 times, twice a day. During this interlude, M Delors, to all intents, was in charge in France.

Following the reshuffle, which gave him formal promotion in the government team and expanded his portfolio to include the Budget ministry, M Delors has an importance in the administration which, in some significant ways, overshadows that of M Pierre Mauroy, the Prime Minister.

The latter's stature has been devalued along with the franc by a series of much too optimistic assertions about the French economy during the run up to last month's municipal elections. M Delors, on the other hand, could never be accused of excessive cheerfulness.

Although he demonstrated a previously unsuspected capacity for poker-playing during the Brussels negotiations on the European monetary system, M Delors is a man of unpolitical straightforwardness who believes in calling a spade a spade. Partly because of his lack of pretension, his rating in the opinion polls is consistently high. Yet his penchant for taking unpopular measures has made him a target for opposition from all sides.

Travel equals Political Liberty—has taken M Delors by surprise. He had not expected the virulent political atmosphere of the municipal elections to live on after the campaign.

However, given the priority which President Nicolas Ceausescu has put on improving the country's external financial balance, and thus paying off foreign debt, the export targets

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He believes the indignation will soon ebb away. But while they linger on the protests defect attention from the other harder-hitting parts of the austerity drive.

M Delors, a passionate trade union organiser in the Rank of France where he started his career after the war, won his political spurs more than a decade ago by helping to organise a new-style economic and social policy under M Jacques Chaban-Delmas, Prime Minister at the time of President Georges Pompidou.

Significantly, amid all the political action last month, he found time before announcing the new measures to make discreet contacts with trade union leaders to win their grudging support.

Yet, in spite of his clear moderation, M Delors' relations with the Patronat (employers' federation) are terrible. He has seldom been seen so angry in public as when he unveiled a modest series of industry aids before a business meeting last

streets below protesting against his policies.

From Communist-backed trade unions complaining about factory closures to small businessmen up in arms over tax increases, they have all lined up outside his window. The latest protest has been from travel agents enraged at the draconian curbs on tourist spending abroad.

The scale of the travel protests—making opposition under the banner of "Freedom of

Travel equals Political Liberty"—has taken M Delors by surprise. He had not expected the virulent political atmosphere of the municipal elections to live on after the campaign.

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Jacques Delors... new strongman of the Socialist government.

system, as M Delors had threatened, and he would have resigned.

The most likely replacement would have been M Georges Plescoff, the now-retiring 65-year-old president of the nationalised Suez financial group, and a close confidant of President Mitterrand.

But everyone—the West Germans included—knew that M Delors' threats were largely a matter of tactics. A senior official at the West German Bundesbank comments that the Delors statements in Brussels were largely for home consumption, and if they have succeeded in boosting his domestic "image," then the West Ger-

mans are pleased.

The idea of France borrowing from the International Monetary Fund (IMF)—much rumoured in recent months—is politically impossible, he believes.

The IMF could lend France a maximum \$14bn under a three-year economic stabilisation programme, enough to solve all M Delors' worries. But the opprobrium of submitting to an externally imposed straitjacket—as Britain and Italy did in the 1970s—would be unacceptable to the electorate.

M Delors fears the crowds outside the Louvre would not just be firing arrows but would be calling for his head.

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09:00 YOUR SECRETARY LOOKS UP: YOU'VE NEVER BEEN HER SPEED AT ALL, BUT NOW?  
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## EUROPEAN NEWS

Dublin  
braced for  
workers' tax protest

By Brendan Keenan in Dublin

THE IRISH coalition Government led by Dr Garret Fitz-Gerald, is bracing itself for a campaign of strikes, street demonstrations and possibly legal battles, as workers protest at increases in their tax and social insurance contributions.

The measures were introduced in February's budget, but this week is the first in which the increased deductions will be made. Workers will find their take-home pay reduced by between 2 and 3 per cent in new insurance charges.

Workers on short time will be hit even harder, because of cuts in pay-related benefits. The trade unions are also angry at the fact that income tax allowances have not been adjusted for inflation—17 per cent last year although it has since fallen sharply.

Employees of one of Ireland's leading concerns, Waterford Glass, are at the forefront of a campaign to withdraw income tax and insurance payments, which could lead to prosecution of the company.

The Dublin Council of Trade Unions has called for a half-day strike next Wednesday, and the country's largest teaching union pledged support for industrial action over the issue at its annual conference yesterday.

The Waterford Glass action is causing particular concern to Ministers and other employers—as well as some trade union leaders.

The company, which is legally responsible for Paye As You Earn (PAYE) deductions, has tried to get round the difficulty by offering its employees a "loan" in lieu of wages for the next two weeks. However, a statement from the revenue authorities said that such action would be illegal and companies could face prosecution.

## Denmark sees improvement in economy

By Hilary Barnes in Copenhagen

DENMARK WILL be able to reduce both unemployment and its endemic balance of payments deficit next year if the prospect of rising international economic activity and low domestic inflation holds good, according to the Economics Ministry.

Its annual survey, the most optimistic for years, also gives an encouraging picture of the Government's finances this year and next.

The 1983 budget deficit, which in January was expected to be about Dkr 60bn (25.4bn), is now forecast at about Dkr 50bn (24.4bn), thanks largely to falling interest rates.

If lower inflation and interest rates are maintained next year the deficit may not rise by more than Dkr 2bn-3bn, the lowest increase for 10 years.

The survey predicts overall GDP growth this year of about 1½ per cent but with the growth rising strongly towards the end of the year. The balance of payments deficit is expected to fall from Dkr 50bn in 1982 to Dkr 14.5bn this year.

W. German jobless  
total down but  
trend still upwards

BY STEWART FLEMING IN FRANKFURT

UNEMPLOYMENT in West Germany fell significantly in March, the Federal Labour Office (BFA) reported yesterday. But the underlying trend in the jobless total remains upwards.

Herr-Joost Shingl, the president of the BFA, said that the fall in the March total was less than had been expected in view of the normal seasonal trends in the winter. The Economics Ministry in Bonn reported a 22.64m 2.11m were without jobs in January.

The Belgian Government said yesterday 505,861 people were registered out of work at the end of last month—3,092 fewer than at the end of February—leaving Belgium's jobless rate unchanged at a record 12.2 per cent.

## Brussels given steel plan

BY JAMES SUCHAN IN BONN

THE long-awaited programme for restructuring the West German steel industry was delivered yesterday to the European Commission—a week late and a shadow of the wide-ranging concept mooted in January.

The Economics Ministry said yesterday that Brussels would be asked to approve federal and regional aid of some DM 5bn (2.5bn) to make possible the companies' planned cuts in installed capacity of about 13m tonnes.

The companies' proposals, which were due in Brussels on March 31 to give the Commission leisure to study them for a decision at the end of June, include a merging of the steel operations of Thyssen and Krupp Stahl. This has been negotiated seriously by the two

companies despite problems concerning the valuation of assets.

However, a balancing merger between Hoesch, Kloeckner-Werke and the state-owned Salzgitter concern proposed in January never got off the ground because of disagreements between Kloeckner-Werke and Hoesch.

The new programme foresees co-operation between Hoesch and Salzgitter, but Kloeckner-Werke, while not completely giving up hope of finding a partner, has been obliged to put forward a "go it alone" model implying sharp cuts in capacity and workforce.

Chancellor Helmut Kohl will visit Washington on April 14-15 at the invitation of President Ronald Reagan, a government spokesman announced in Bonn

Work plan  
for West  
Berlin  
recipients  
of welfare

By Leslie Collett in Berlin

WEST BERLIN plans to put thousands of able-bodied recipients of social welfare benefits to work on public projects. If they refuse, they will lose their benefits.

The Christian Democrat-led city government says it will introduce a Bill next week enabling it to give jobs to several thousand unemployed West Berliners receiving welfare support.

They will be paid DM 3 (51.23) an hour, for a 40-hour month working in hospitals, old people's homes, public gardens and forest. Those who work will continue to receive welfare payments.

Last November the city government told asylum seekers receiving social welfare support in West Berlin that to continue getting benefits they would have to perform public service jobs for less than 25 hours a month.

The number of asylum seekers on the welfare rolls subsequently dropped from 18,000 to 12,000.

A spokesman for the West Berlin social department said the city hopes to curb the misuse of welfare benefits by its latest moves.

He said "enormous financial pressure" on the city was forcing it to find ways to ensure that the limited funds available reached the most needy.

West Berlin has 116,000 social welfare recipients in a population of 1.9m. Some 15,000 of them, who are able-bodied but unemployed, will eventually be asked to do public service work.

Consensus  
sought on  
Turkish  
bank reform

By Metin Munir in Istanbul

THE TURKISH Minister of Finance, Mr Adnan Baser Kafasoglu, has asked the country's banks to work with his ministry and the central bank to draft a series of amendments to the Banking Act.

He made the request at a meeting yesterday with Turkey's 45 banks in Ankara in which he was widely expected to present the banks with the draft of the amendments he proposed to make. But, instead of confronting them with a fait accompli, he asked the bankers to choose six representatives who would work on the draft together with the Government. He did not unveil the draft.

According to the schedule agreed upon yesterday, the six bankers will be given in a few days copies of the amendments which Mr Kafasoglu proposes to make. On April 18 or 19, the six will meet with the Ministry of Finance and the central bank. By April 22, Mr Kafasoglu expects to have secured a consensus. The group of six includes Ziraat and Is, Turkey's largest state-controlled banks, Ak and Yapi Kredi, the largest private sector banks, Egebank, a small concern representing the smaller banks, and Citibank of the U.S.

The bankers were relieved by the method Mr Kafasoglu chose. Most of them anticipated a radical draft, which would amend most of the 94 articles of the 25-year-old Banking Act.

The Turkish banking sector is beset with serious problems arising mainly from the high cost of funds, inefficiency, and a high rate of bad loans.

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Chairman: Mr Robert Heller, Editor of Management Today.

Mr Peter Readman will speak on innovation in finance, including handling financial markets throughout the world, and future changes to UK pension funds, etc.

Mr Peter Schwartz will speak on innovation in corporate structures, including lessons in Corporate development from overseas, e.g. Germany, Japan and the USA.

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Nicosia will raise Cyprus  
issue again at the UN

BY ANDREAS HADJIPAPAS IN NICOSIA

THE Nicosia Government is to raise the Cyprus issue again in the UN General Assembly next month, despite angry warnings from the Turkish side that it could destroy any chance of a settlement.

President Spyros Kyprianou flies to Athens today for talks on the question with Mr Andreas Papandreu, the Greek Prime Minister, and other government leaders.

Officials here say the Cyprus debate at the UN will start on May 2. The Government has no alternative to raise the issue there, they insist, because of the lack of progress in the eight-year-old intercommunal negotiations.

Mr Rauf Denktaş, the Turkish Cypriot leader, warned yesterday that recourse to the UN would undermine the talks. It would amount to "placing dynamite at the foundations of the talks, and the Greek Cypriots and the whole world will see how the fuse will be set alight, how it will explode and what damage it will cause."

Whatever the outcome of the UN debate, neither side is ready to quit the talks, and they are almost certain to be resumed after some delay.

The Turks say there should be some form of "moratorium on outside debates" for about a year to allow the local talks to proceed in earnest. Greek Cypriots, however, believe that some pressure on Ankara is necessary since progress at the talks is impossible without Turkey modifying its stand.

President Kyprianou, therefore, is continuing his campaign to muster more international support, after his attendance at the New Delhi summit of non-aligned states last month. He has announced a series of talks in European capitals next month, including a meeting with Mrs Margaret Thatcher in London on May 17.

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Inland  
Revenue

## AMERICAN NEWS

William Chislett, recently in Managua, on the growing odds against the Sandinistas

## Nicaragua defends its fragile revolution

FOUR YEARS after the Left-wing Sandinistas overthrew the U.S.-backed dictatorship of General Anastasio Somoza, the Central American Republic of Nicaragua is still struggling to climb out of the economic crater left by its civil war. Its chances of success are being made more difficult by the counter-revolutionary offensive which has been stepped up in the last two months.

More than 1,200 infiltrators, mainly former members of General Somoza's National Guard are now said to have penetrated into Nicaragua from their bases in neighbouring Honduras, which the U.S. Central Intelligence Agency has chosen as the focal point for its covert actions against the country.

The Nicaraguan regular army of about 20,000 men equipped with some Soviet tanks and a militia of some 50,000 are far superior to the counter-revolutionary forces in their present form. But the "contras" are managing to tie down a lot of the Government's money, time and men and are also sabotaging the country's valuable export crops of cotton and coffee.

The "contras" are also succeeding in making the Government switch the emphasis of its policy away from economic reconstruction to defence, thus delaying economic recovery and giving Nicaraguans cause for discontent.

Nicaragua lay in ruins when the Sandinistas came to power in July 1979. An estimated 50,000 people were killed in the fighting, the gross domestic product (GDP) fell 30 per cent between 1977 and 1979, tens of millions of dollars of damage was wrought on factories, roads

and power facilities and the Sandinistas inherited an external debt of \$1.6bn. All of this came on top of the 1972 earthquake, which flattened Managua.

Today the GDP of \$2.3bn has still not recovered to its pre-war level. Last year it declined in real terms by 3.5 per cent, after 8.9 per cent growth in 1981, partly because of the floods and drought which struck Nicaragua in rapid succession.

Measured in constant 1958 Cordobas, GDP is the same now as it was ten years ago which means that, given the continued rise in the population, at present 2.9m. average per capita income has plummeted. Meanwhile export revenue from coffee, cotton and sugar totalled only \$408m last year. This was \$228m less than in 1977, considered the last year of "normal" economic activity. Imports, however, in 1982 were \$79m. higher than in 1977, and all of them essential.

The critical situation is further compounded by the high cost for Nicaragua of servicing its debt which has ballooned to \$2.8bn. Last year

debt payments were \$190m or 46 per cent of exports.

The estimated current account deficit of \$450m was financed by external borrowings from official sources. With net foreign exchange reserves about \$120m in the red, the few dollars available are being frugally rationed. On the well-hidden black market a dollar buys 60 Cordobas compared with the official exchange rate of 10 and the parallel market of 28.

Unlike their ally President Fidel Castro of Cuba, who repudiated debts owed to U.S. banks when he took power, the Sandinistas have remained within the Western banking orbit, although there are radical Marxists in the Government who would dearly love to ditch the \$920m of commercial bank debt which was rescheduled in 1981. Such a drastic step would exclude Nicaragua from all sources of Western financing, a senior Government economist said, throwing the burden of funding the country on its reluctant Soviet ally.

Last year Nicaragua received 40 per cent of its gross \$550m

overseas funding from Socialist bloc countries. The rest came from multilateral institutions such as the Inter-American Development Bank, or from Western countries. It received no new loans from its international bank creditors, however, and is being squeezed out of World Bank financing.

Dr Mario Franco, a senior official with Nicaragua's International Fund for Reconstruction, said the country received no new money from the World Bank in 1982 because none of its projects, worth \$182m over the next three years if approved, reached the decision-making stage because of political pressure from Washington.

Nicaragua will almost certainly have no option but to negotiate a further three- to five-year extension on its private bank debt. It will be very stretched to pay the extra interest charges on this debt next year.

In 1984 Nicaragua is supposed to pay the interest which has been compounded and capitalised, since it is currently paying below the prevailing international interest rates. This

will push the debt service bill to some \$400m, over 80 per cent of exports, said Dr Sergio Ramirez, a member of the Government's three-man junta.

The Government is also talking of introducing a foreign investment law in the summer to bring in capital. But even if this happens, which most observers consider improbable as the hardcore Sandinistas are against it, it is unlikely that foreign investors will be attracted to Nicaragua.

The Sandinistas' Marxist rhetoric and the confiscation of some land and factories has already caused the Nicaraguan private sector, which still controls 56 per cent of the economy, to put businesses on a care and maintenance basis and not to make new investments.

As for forecasting a trade boycott by the U.S. Nicaragua has succeeded in diversifying its imports. Purchases from the U.S. in 1982 were reduced to 19 per cent of total imports, compared with 26 per cent in 1981. New export markets have also been opened up.

Nicaragua's economic woes are dire in the short term, but the country does have substantial untapped agricultural and mineral potential.

It is understood that the International Monetary Fund (IMF) is interested in helping Nicaragua. But the Sandinistas have not forgotten the last controversial IMF loan at the height of the civil war, which they suspect was used to buy arms to kill their supporters. Observers say it would be politically disastrous to sign an IMF agreement now and have to submit to a stronger dose of recessionary medicine and sacrifice some of the social advances.

## U.S. plan to widen banks' role

BY ANATOLE KALETSKY IN WASHINGTON

THE REAGAN Administration will submit legislation later this year to enable U.S. banks to enter new lines of business, including securities dealing, insurance and real estate, Mr Donald Regan, the U.S. Treasury Secretary, said yesterday.

But until new banking legislation is passed, the authorities will deny all new applications from companies outside the banking industry to establish or buy so-called "non-bank banks". These hybrid financial institutions have started springing up recently to exploit a loophole in the Bank Holding Com-

panies Act. This allows certain firms to accept deposits but escape designation as "banks" and regulation by the Federal Reserve Board because they do not make commercial loans. The loophole has been used by about a dozen securities firms, diversified conglomerates and industrial holding companies to acquire or establish deposit taking "non-bank banks".

Mr Regan said yesterday that the Comptroller of the Currency would stop issuing new charters for such institutions until Congress decides on new banking legislation which

would draw the line between banking and other activities more clearly. The moratorium would not apply to the small number of applications for "non-bank bank" charters already ready before the Comptroller by yesterday morning.

The purpose of the new legislation would be to enable banks and other firms to compete on an equal basis in most areas of financial activity. Banks would be required to form separate holding companies if they wished to operate in fields such as securities dealing and underwriting.

## Democrats' budget plan 'dangerous'

By Reginald Dale, U.S. Editor, in Washington

PRESIDENT Ronald Reagan yesterday lashed out at Democratic Party economic and budgetary policies, suggesting that they would endanger the country's economic recovery "just as it's getting under way".

Mr Reagan spoke in Pittsburgh, Pennsylvania, as the Republican-dominated Senate Budget Committee began drafting its own version of the 1984 budget, which is virtually certain to differ from Mr Reagan's by calling for a lower increase in defence spending than the real 10 per cent rise that the White House wants.

Congressional leaders, following an earlier meeting with Mr Reagan in Washington, said that he was still firmly insisting on the 10 per cent figure - although Senate Republicans now believe that he is prepared to let it slip by perhaps one percentage point. Even the Republicans, however, want it to come down considerably further than that.

Mr Reagan used his speech to a conference on dislocated workers organised by the National Alliance of Business to attack the economic and social effects of the "liberal" Democratic budget passed by the House of Representatives last month.

The Democratic budget called for a \$315bn tax increase over the next five years and an almost \$200bn increase in domestic spending, he said.

Mr Reagan, who is fighting hard to persuade the Senate Republicans to come as close as possible to his own original budget proposal, accused the Democrats of "flagrant disregard" for the consequences of their own proposal. The consequences would be more unemployed Americans, higher interest rates, more Government spending and a recession worse than the one we're just emerging from," he said.

Mr Reagan claimed that the Democrats' budget, which calls for an extra \$30bn in taxes in fiscal 1984, would cancel out both the third instalment of his three-year tax-cutting programme, due on July 1, and the plan to index tax brackets to inflation in future. More than three-quarters of the indexing relief would go to lower and middle-income earners, he said.

"I have two direct political and moral questions for every Congressman who voted for this bill: how can you justify hitting the median American family with a \$3,550 tax increase over the next five years? And how can you support a budget that would threaten the recovery just as it's getting under way?" he asked.

## Data disc is pioneered by Japan

By Richard Lambert in New York

JAPAN'S Matsushita Electric Industries has developed a prototype of an erasable optical disc to record and store information. The company expects that by next year it will be selling small quantities of a laser system for recording, storing and retrieving documents and images, allowing information on a disc to be updated and replaced.

Such technology could significantly enhance the potential market for videodiscs. Matsushita said, however, that it could be at least five to eight years before such products could be produced at a price that would make them attractive to personal consumers.

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## UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1975=100); retail sales value (1975=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemp. played	Vacs.
1982							
1st qtr.	100.7	99.3	99	106.5	141.3	2,679	112
2nd qtr.	101.1	98.9	99	106.5	145.7	2,743	107
3rd qtr.	101.4	98.6	94	106.5	150.7	2,817	111
4th qtr.	101.4	97.2	87	110.7	154.5	2,913	125
June	106.3	98.1	76	107.2	144.6	2,772	106
July	101.0	97.9	92	108.0	151.9	2,814	111
August	101.2	97.9	94	108.4	156.6	2,832	114
September	101.6	98.0	95	109.2	149.9	2,866	107
October	101.6	97.4	92	109.3	158.6	2,885	114
November	102.2	96.6	83	110.4	159.6	2,906	114
December	102.2	97.5	86	112.2	215.5	2,949	116
1983							
1st qtr.	102.4	99.6		110.1	154.7	3,003	124
January				111.1		2,963	122
February						3,001	124
March						3,026	124

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invest. goods	Intmd. goods	Eng. output	Metal mfg.	Textiles	Hous. starts
1982							
1st qtr.	92.4	96.7	121.2	86.1	81.3	74.5	14.7
2nd qtr.	91.9	91.4	122.1	86.4	78.9	72.7	15.5
3rd qtr.	91.5	90.2	122.7	85.7	72.5	72.5	15.1
4th qtr.	92.2	88.5	122.5	84.9	69.6	71.9	15.4
May	93.0	91.0	123.0	87.0	69.0	74.0	17.7
June	91.0	91.0	121.0	86.0	73.0	70.0	17.6
July	91.0	90.0	122.0	85.0	72.0	70.0	16.7
August	91.0	90.0	122.0	86.0	72.0	68.0	15.7
September	90.0	90.0	122.0	86.0	72.0	68.0	15.0
October	90.0	88.0	123.0	85.0	71.0	72.0	15.5
November	91.0	89.0	120.0	85.0	67.0	69.0	17.3
December	91.0	89.0	124.0	86.0	70.0	72.0	12.3
1983							
January	94.0	91.0	123.0	86.0	75.0	71.0	15.3
February							15.8
March							15.8

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms of trade	Resv. US\$bn
1982							
1st qtr.	127.5	125.5	+2.0	+589	+698	101.2	18.97
2nd qtr.	131.4	130.2	+1.2	+903	+858	101.3	17.70
3rd qtr.	128.1	127.7	+0.4	+847	+1,513	108.5	18.39
4th qtr.	131.4	129.0	+2.4	+1,700	+1,736	105.5	16.55
June	129.0	126.3	+2.7	+80	+307	101.1	17.20
July	126.5	123.8	+2.7	+272	+449	100.7	17.94
August	118.3	121.1	-2.8	+171	+474	101.1	18.31
September	134.7	128.1	+6.6	+404	+390	95.7	18.20
October	126.8	125.8	+1.0	+364	+501	98.5	18.50
November	132.0	129.5	+2.5	+639	+543	98.4	18.00
December	135.0	123.8	+11.2	+657	+632	96.7	17.00
1983							
January	131.0	124.3	+6.7	-311	+510	98.5	16.85
February	131.0	125.2	-4.2	+42	+694	99.1	16.58
March							17.34

FINANCIAL—Money supply M1 and sterling M2, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£bn); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M2 %	Bank advances %	DCE %	BS inflow	HP inflow	MLR %
1982							
1st qtr.	2.1	8.2	26.2	+3.194	967	2,187	
2nd qtr.	15.3	12.6	28.2	+4,535	1,344	2,210	
3rd qtr.	15.3	12.6	28.2	+4,535	1,796	2,396	
4th qtr.	18.0	12.3	28.9	+5,611	2,130	2,866	
June	10.7	10.2	25.3	+1,240	429	751	
July	14.2	11.2	29.4	+1,369	691	703	
August	17.5	12.3	24.6	+2,034	437	833	
September	14.2	14.0	28.4	+1,418	668	844	
October	24.0	18.2	32.4	+2,859	886	874	
November	17.4	12.2	25.4	+1,115	723	874	
December	15.9	9.3	23.2	+1,068	490	874	
1983							
January	7.6	4.2	8.7	+900	351	872	
February	9.9	8.2	13.0	+812	386	813	

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## Deutsche Bank Aktiengesellschaft

(Incorporated in the Federal Republic of Germany with limited liability)

Frankfurt am Main

We are convening our Ordinary General Meeting this year on Wednesday, May 18, 1983, 10.00 a.m. in Saal 3 of the Congress Centrum Hamburg (CCH), am Dammtor, Hamburg 36.

## Agenda

1. Presentation of the established Statement of Accounts and the Reports of the Board of Managing Directors and the Supervisory Board for the 1982 financial year

Presentation of the Consolidated Statement of Accounts and the Report of the Group for the 1982 financial year

2. Resolution on the appropriation of profits

The Board of Managing Directors and the Supervisory Board propose that the distributable profit of DM 298,349,458 be used to distribute a dividend of DM 11 per share of DM 50 par value.

3. Ratification of the acts of management of the Board of Managing Directors for the 1982 financial year

The Board of Managing Directors and the Supervisory Board propose that the acts of management be ratified.

4. Ratification of the acts of management of the Supervisory Board for the 1982 financial year

The Board of Managing Directors and the Supervisory Board propose that the acts of management be ratified.

5. Election of the auditor for the 1983 financial year

The Supervisory Board proposes that Treuerverkehr AG Wirtschaftsprüfungsgesellschaft - Steuerberatungsgesellschaft, Frankfurt am Main, be appointed auditor for the 1983 financial year.

6. Election of the Supervisory Board

According to § 96 (1), 101 (1) of the Joint Stock Corporation Act and § 7 (1) sentence 1 No. 3 of the Employee Co-determination Act of May 4, 1976, the Supervisory Board consists of ten members elected by the shareholders and ten members elected by the employees. In electing the shareholder representatives the General Meeting is not bound by election proposals.

The Supervisory Board proposes that the following shareholder representatives be elected to the Supervisory Board for the next term of office:

1. Dr. Hans Feith, Frankfurt am Main  
Member of the Supervisory Board, former Member of the Board of Managing Directors of Deutsche Bank AG
2. Dr. Friedrich Karl Flick, Düsseldorf-Oberkassel  
Partner and Managing Director of Friedrich Flick Industrieverwaltung KGaA
3. Jörg A. Henle, Duisburg  
Partner and Managing Director of Klöckner & Co
4. H. F. van den Hoven, Rotterdam  
Chairman of the Board of Unilever N.V.
5. Dr. Karl Klasen, Hamburg  
President of Deutsche Bundesbank (retired)
6. Hans L. Merkle, Stuttgart  
Chairman of the Management of Robert Bosch GmbH
7. Dipl.-Ing. Dr. Bernhard Plettner, Munich  
Chairman of the Supervisory Board of Siemens AG
8. Franz Heinrich Ulrich, Düsseldorf  
Chairman of the Supervisory Board, former Member of the Board of Managing Directors of Deutsche Bank AG
9. Dipl.-Kfm. Günter Vogelsang, Düsseldorf
10. Hannelore Winter, Düsseldorf  
Housewife

The persons listed under Nos. 1, 2, 3, 5, 6, 8, 9 and 10 are already members of the Supervisory Board and are being proposed for re-election.

The Supervisory Board also proposes that the following gentlemen be elected as substitute members who will replace, in the following order, members elected by the shareholders, who leave the Supervisory Board prematurely:

- a) Dr. Hans-Dieter Mosthaf, Stuttgart  
Manager of Robert Bosch GmbH
- b) Dr. Hans Fritsch, Düsseldorf  
General Manager of Mannesmann AG

The person shown under a) is already a substitute member of the Supervisory Board and is being proposed for re-election.

7. Authorized share capital

The Board of Managing Directors and the Supervisory Board propose that the following resolutions be passed:

- a) The Board of Managing Directors shall be authorized to increase the share capital by up to a total of DM 400,000,000 with the consent of the Supervisory Board once or more than once until April 30, 1988 through the issue of new shares against cash payment. At such times pre-emptive rights shall be granted to the shareholders; the Board of Managing Directors is however authorized to except fractions from the shareholders' pre-emptive rights and also to exclude the pre-emptive rights in so far as is necessary to provide the holders of the Warrants from the Bonds with Subscription Rights mentioned in § 4 (4) and (5) of the Articles of Association with such pre-emptive rights to new shares as they would be entitled to upon exercising the Subscription Rights.

The authorization issued at the General Meeting on May 14, 1981 to increase the share capital, DM 126,000,000 of which has not yet been utilized, shall be cancelled.

- b) § 4 (6) of the Articles of Association shall be amended to read as follows:

"The Board of Managing Directors is authorized to increase the share capital by up to a total of DM 400,000,000 with the consent of the Supervisory Board once or more than once until April 30, 1988 through the issue of new shares against cash payment. At such times pre-emptive rights shall be granted to the shareholders; the Board of Managing Directors is however authorized to except fractions from the shareholders' pre-emptive rights and also to exclude the pre-emptive rights in so far as is necessary to provide the holders of the Warrants from the Bonds with Subscription Rights mentioned in subparas. 4 and 5 with such pre-emptive rights to new shares as they would be entitled to upon exercising the Subscription Rights."



## OVERSEAS NEWS

## China poised to pour money into overseas projects

By MARK BAKER IN PEKING

CHINA is preparing to make substantial investments in natural resources projects around the world, and is dispatching official delegations to North America and Australia to explore joint venture and other investment possibilities. Similar missions are being considered to Africa and South-East Asia.

China, which has never made industrial investments in capitalist countries, is believed to want stakes in iron-ore, alumina, paper pulp, fertilisers and fisheries projects.

The move, which is clearly bolstered by China's net foreign exchange reserves of about \$70bn, is designed to secure long-term natural resource supplies to gain access to advanced technology and management skills, and as a means of gaining specialised training for Chinese workers.

The decision to make such a radical diversion in economic planning was made at a meeting of the ruling-state council last month, although tentative discussions have been held with various countries over the past two years.

The move was hinted at last month by Zhao Ziyang, the Premier, and confirmed yesterday by Jing Shuping, the deputy general manager of the powerful China International Trust and Investment Corporation (Citic).

Citic has been authorised to make investments abroad, to utilise as much foreign funds as we can attract," he said.

The state council had also empowered Citic, in undertaking investments abroad, to retain profits at its discretion, after paying taxes.

As a first step, Jing will fly to Australia next week on Premier Zhao's state visit and will visit South America.

visit several states to discuss options for Chinese investment in iron-ore projects. It is believed that another group of Citic officials flew to Canada at the weekend to discuss investment in paper pulp.

While it is not known who Jing will meet in Australia, or whether Citic has made direct contact with any Australian mining companies, there are about five planned iron-ore ventures in Australia in which China might be able to negotiate a stake.

Jing said China was investigating two options in Australia—buying a substantial shareholding in an existing iron-ore mine or undertaking a joint venture with Australian companies to open a mine.

China is particularly interested in Australian iron-ore mining as a way to secure long-term supplies of high-grade ore for the Baoshan steelworks under construction near Shanghai—China's biggest industrial venture.

"We might buy a certain percentage of shares in an existing mine or form a joint venture in a new mine. But we realise that we cannot buy our own project because the Australian Government will not allow 100 per cent foreign ownership," Jing said.

"We would welcome foreign partnerships in investments in China and we would like to invest abroad in natural resources and other goods we require... maybe we can form joint ventures. Maybe we can extend existing plants and create new ones."

China is singled out paper pulp and potassium and phosphate fertilisers as other areas where China would like to invest abroad.

The Citic delegation which is visiting Canada is also expected to visit South America.

## Writ over Tasmania hydro plan

By Michael Thompson-Noel in Sydney

AUSTRALIA'S looming constitutional clash over the Tasmanian state government's planned hydro-electric project in the south-west wilderness came closer yesterday when the federal government in Canberra issued a high court writ seeking a permanent halt to work on the Gordon River dam.

With construction work continuing, a legal and political tussle between the federal Labor government and the Tasmanian state Liberal government now seems inevitable.

Tasmania immediately challenged yesterday's move with its own writ. It claims the hydro scheme is necessary to alleviate unemployment and help attract more cheap energy users to Tasmania. But still opposition comes from the federal government and from international conservationists.

The issue could take time to resolve, and the Canberra government is likely to seek an interim injunction to stop construction if permanent damage starts being inflicted on the wilderness.

Mr Bob Hawke, the Prime Minister, said yesterday he rejected claims by Queensland and Tasmania that recent government action represented unjustified interference with states' rights.

## Battle to stop the rot in Egyptian industry

By CHRISTIAN TYLER

ANYONE looking for an illustration of the way Egypt's industrial policy has been ensnared in recent years need look little further than the Egyptian Iron and Steel Company at Helwan, south of Cairo.

A crumbling monument to President Nasser's state industrial programme of the early 1960s, it employs no fewer than 25,000 people. Though designed to produce more than 1.5m tonnes of steel annually from blastfurnaces and mills built mainly with Soviet help, present output is about half that. The rolling mill director says he has enough work for 7,000-10,000 people.

Helwan's problem is not lack of demand: the country imports about 700,000 tonnes of steel a year. Its problem is bottlenecks in the steelmaking process which, since the Russians were kicked out, are being investigated by consultants from the British Steel Corporation.

The steelworkers are poorly paid, partly because there are too many of them. Because the pay is bad, good managers are hard to find and keep. But even with the best managers, Helwan's problems are unlikely to be solved until Egypt gets to grips with its industrial dilemma: how to streamline and decentralise its huge state sector without undermining Nasser's vision of a socialist, full employment society.

Egypt is an example of a

country where a huge swing in the political compass has created almost insuperable difficulties for industrial planning.

Nasser's nationalisation programme was followed in 1974 by the late President Sadat's "open door" policy and subsequent encouragement of the private sector. Today, Egypt can be said to have got the worst of both worlds.

Whereas Britain, for example, has achieved over the past 35 years a relatively stable definition of the public sector's limits, Egypt has arrived at the 1980s with something that looks more like a dual economy than a mixed economy.

Legislative efforts are under way to "restructure" the nationalised industries by means of a Bill designed to put the state sector on a more commercial footing.

The state sector, accounting for about three-quarters of industrial output, has suffered all the disadvantages of central planning while losing the advantages of a closed economy.

An entrenched bureaucracy which owes its position to nationalisation is unwilling to devolve decisions to company board level. Employment has taken precedence over industrial efficiency, and overmanning has led to low wages.

At the same time, low wages have caused a flight of skilled labour to more lucrative work in the private sector or abroad to the Gulf. Prices are controlled,

investment has been inadequate and antiquated machinery has meant low output and poor quality.

The growth of the private sector—mainly small and medium-sized firms—has only served to highlight the commercial vulnerability of the public sector. For that reason, the government is being careful not to cast state industry in the role of Ugly Sister. Direct competition from the private sector

markets and manage their own accounts.

Workers' representatives would lose their right to half the seats on the board—a measure which, translated into action, could strip the trade unions of much of their influence. They have little compensating industrial strength.

The Government is meanwhile devoting the major part of its annual public sector budget to rehabilitating rundown

thing; management should be another," he said.

Yet the reforms will not be allowed to cut too deep. Dr Zaghlul said companies could not be given complete freedom for example, on pricing without upsetting the whole economic system. Nor could the public sector tolerate full-blooded competition. "We haven't enough products. When we have enough then we can let people compete in the market."

Again, managers' hiring and firing freedoms will be tempered not only by trade union opposition but also by Egypt's need to find jobs for the 400,000 people joining the labour market each year.

Egyptian industrialists and Western diplomats alike doubt that the public sector bill will have much effect, for all its good intentions and the confidence many express in Dr Zaghlul himself. Mr Mohamed Badawi, a consultant in textiles—one of Egypt's principal industries—argues that legislation for state industry efficiency is no substitute for the competitive stimulus that would be provided, for example, by slashing the import tariffs protecting the garment business.

At Helwan steelworks, the view is much the same. Dr Ali Helmi, the rolling mill director, said: "The new law will make little if any difference. Government ministers don't want to lose control. As you know, the Helwan steelworks. As minister he became controller of 117 of Egypt's 378 major public sector companies. "Ownership is one well, that's something different."

Legislative efforts are now underway to "restructure" the nationalised industries by means of a Bill designed to put the state sector on a more commercial footing... it proposes a substantial transfer of authority from the ministries to the boards of public companies.

is definitely not part of the new programme.

Western diplomats therefore expect the private sector to grow more slowly than official statements suggest. They detect a heavy ambiguity in the open door policy which, they say, is discouraging local investment as well as joint ventures with foreign partners.

The Bill presented to the national assembly proposes a substantial transfer of authority from the ministries to the boards of public companies. Management would be able to sack ineffective staff, reduce their workforces, pay bonuses and set wage rates. They might also be able to raise money on the

industries such as sugar refining, paper and pulp, and finishing of half-completed projects. Only E£10m (£5.14m) is being spent this year on new projects compared with E£180m on existing plants.

The bill is designed to "equalise management in the public and private sectors," according to the former minister for industry, Dr Fouad Abu Zaghlul. Dr Zaghlul, dismissed in the wake of the recent corruption trials but not personally discredited, was for many years manager of the Helwan steelworks. As minister he became controller of 117 of Egypt's 378 major public sector companies. "Ownership is one well, that's something different."

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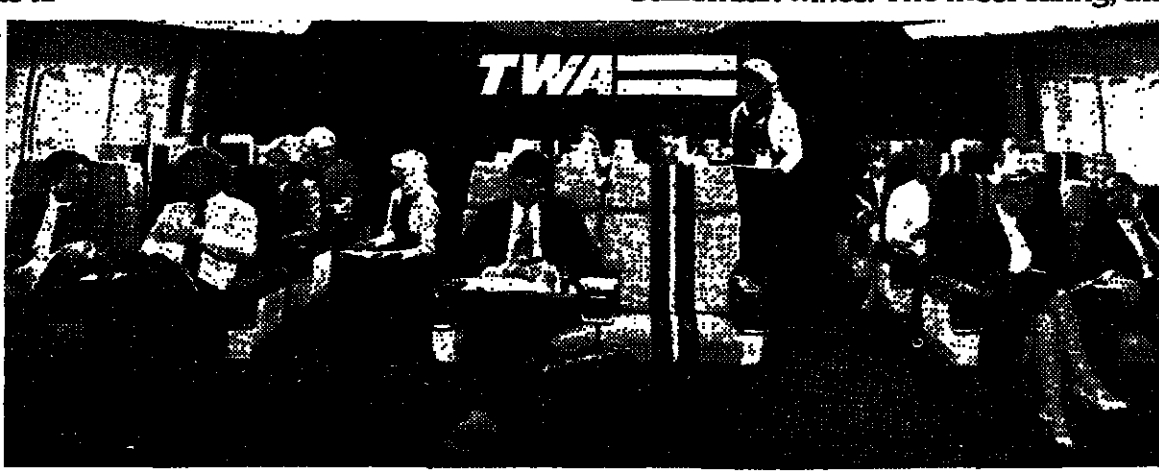


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## Iran to give Syria 1m tons of oil

By Patrick Cockburn

IRAN is to give Syria 1m tons of oil under an agreement secured in Tehran this week. The Iranians will also supply Syria with 5m tons of crude oil to be sold for by a mixture of cash and barter.

The Iranians say the gift of oil is to help Syria confront Israel, but the deal is seen by diplomats as a part of the continuing campaign by Iran to ensure that Iraq's oil pipeline across Syria remains shut.

Last April, Syria closed Iraq's pipeline to the Mediterranean after Iran promised to supply Syria with 5m tons of crude. Syria has proved unable to sell enough goods to Iran to maintain the barter agreement but under the new deal will supply food, textiles and chemical products.

Syria is Iran's most important ally in the Arab world and both countries are united by antipathy towards Iraq. This gives Iran the incentive to allow Syria favourable terms in its oil purchases.

Saudi Arabia is concerned about the close relations between Tehran and Damascus, but the Saudis are believed to be up to date in their aid payments to Syria. These normally amount to some \$700m out of a yearly total of \$1.2bn in aid to Syria.

## Slick threat may prompt Gulf ceasefire

By Kathleen Evans in Kuwait

IRAQ yesterday confirmed that it was willing to initiate a ceasefire in its war with Iran in order to plug the leaking oil wells in the Gulf. The confirmation came as eight Gulf states, including Iran and Iraq, met informally in Kuwait to try to untangle the political log-jam preventing a clean-up of the oil slick threatening Gulf shores.

"Iraq is ready for a ceasefire under the control of international organisations," the Iraq delegate said, hinting that the United Nations was the most appropriate body to deal with the problem.

The ceasefire would be limited to the area of the Nowruz Field so that work on capping the leaking wells could begin. The geographical extent of the ceasefire should be determined by technical experts, he added.

The Kuwaitis, whose diplomatic role is proving vital, yesterday despatched a senior foreign ministry official to Moscow and other envoys to the five permanent members of the UN Security Council.

The Kuwaiti move coincided with a statement by Abdul Aziz al-Husseini, a Kuwaiti Cabinet Minister, that Iraq should go beyond its conditions for peace, and come to the negotiating table.

## Morocco-Algeria border due to reopen today

By STEWART DALBY IN RABAT

THE Moroccan-Algerian border is due to reopen on a limited basis from today, allowing Algerian citizens in Morocco and Moroccan citizens to cross freely into their own countries.

The move is another step towards full normalisation of relations between the two countries, signalled earlier this year. Diplomats say the trend reflects a desire by Algeria to lessen its support for the Polisario guerrillas fighting for the independence of the Western Sahara.

Relations were severed in 1976, when Algeria backed the guerrilla cause following Morocco's annexation of the former Spanish colony the year before. Since the middle of 1981 there has been no serious military engagement, mainly because of a 600-km

13-foot excluding wall built by the Moroccans.

With Polisario less effective than it was, Algeria now seems to have decided to press ahead with restoration of full relations with Morocco. Mr Mohamed Yala, the Algerian Interior Minister, is due to visit Rabat next week, returning a visit this week by Mr Driss Bassi, his Moroccan counterpart.

In practical terms there could be an improvement in trade. Before the estrangement, Morocco bought fruit and vegetables from Algeria, while Algerians would buy consumer goods in Morocco, which has a freer import regime.

The conflict has caused constant rifts within the Organisation of African Unity (OAU). Another, and perhaps decisive, factor is that international support for Polisario has withered.

## Thais 'may strike again'

BANGKOK—Thai commanders said yesterday they were prepared to send a second wave of fighter-bombers, possibly carrying napalm, against Vietnamese troops who crossed into Thailand from Kampuchea at the week-end.

Senior army officers said that despite inflicting heavy casualties on Monday, Thai aircraft had still not flushed out Vietnamese troops.

Maj Gen Prachum Phibumphanuwat, the most senior officer at the frontier, confirmed earlier reports that the Thai airforce had dropped napalm—jettied petrol—on Vietnamese forces.

This was the first time napalm had been used in Indochina since the end of the Vietnam war eight years ago. Reuter



## WORLD TRADE NEWS

Jurek Martin explains the importance of Government support for Japanese farmers

## Liberalisation may not help U.S. sales

MR IWAO YAMAGUCHI gazed pleasantly at his small foreign audience which had been steadily munching on some of the better fish and meat to be found in Japan. There was no question, he argued quietly, of Japan further liberalising the import of food and grains unless it be simply to top up what domestic agriculture failed to produce.

The 22 restrictions on foreign food and fish still in effect were, he went on, nothing less than the "outer fortress" around the core of Japan's food security—the production of rice, wheat and dairy goods; if the fortress is breached, the citadel will fall, sooner or later.

The Japanese consumer understands this, he stated, and has no wish to exchange the security of supply for the possibly ephemeral benefit of lower prices. It would be far better to buy trade peace by curbing Japanese manufacturing exports than to invite long-term instability by tampering with the nation's already weakened agricultural base.

The arguments are not unique to Japan; but when Mr Yamaguchi, managing director of Zenchu, the spokesman for the country's small farm co-operators,

or one of his colleagues in the farm lobby talks, Japanese politicians do listen, and so, less happily, do foreign trade negotiators.

What is new is that the Japanese farm lobby is starting to reach out and touch a wider audience with its arguments than it felt necessary to do before. It is not abandoning its

**The Japanese consumer has no wish to exchange the security of supply for the benefit of lower prices.**

conventional, and patently effective, use of political muscle. But, in going more public, the farm lobby is showing sensitivity to the fact that may be it is misunderstood, both at home and abroad.

Any thumbnail sketch of Japanese farming inevitably concludes that it is not productive, because it enjoys, unlike domestic industry, virtually no economies of scale.

The average farm is about

three acres in size (against over 400 in the U.S. and 150 in Britain); it raises only half a dozen head of cattle, though as many as 40 in the dairy farms of the northern island of Hokkaido; and it is labour intensive, employing nearly twice as many as in the entire U.S. agriculture industry.

Where it has been exposed to imported competition, it has suffered. Domestic lemon producers now command only 2 per cent of a market they dominated little more than 10 years ago, according to Mr Yamaguchi; soybeans, rapeseed and grapefruit tell similar stories.

Domestic food prices are high (so, to be fair, is much of the quality) and the cost of government subsidy, equivalent to about half the \$10.5bn total annual farm income, is heavy.

The countervailing arguments now being put out by the farm lobby fall into two parts.

● The first is that security of food supply is — or should be — essential government policy. Zenchu cites public opinion polls produced by the Prime Minister's office finding that more than 80 per cent of the Japanese agree and blithely dismisses others

with contrary results.

Much is also made of the contribution agriculture makes to Japanese society, in creating employment (nearly 10 per cent of the workforce), protecting the environment against urban blight, and in providing a cog in the smooth working of Japanese society itself — family farming, Zenchu states, is good

**Farm lobby shows sensitivity to the fact that maybe it is misunderstood both at home and abroad.**

for the country, and is not, on a unit basis, unproductive.

● The second argument is that foreign countries, especially the U.S., hopelessly overestimate the consequences of full liberalisation of farm products.

Mr Yamaguchi maintains that if Japan opened its agricultural doors wide, the U.S. trade deficit with Japan might drop by only between \$500m-\$800m a year (last year it amounted to about \$1.8bn, even though Japan

was the best single customer for U.S. farm goods, buying over \$5.5bn worth).

Mr Yamaguchi also argues that blanket liberalisation would not always work to U.S. advantage. Australia could be the big winner if beef imports were freed, because only Japanese producers would be able to supply the traditional top quality meat, while the U.S. would be undercut by Australia in the middle and lower ends of the market.

Any damage done to Japanese producers of lower-quality beef, he adds, could only lead to cuts in U.S. feed grains sales.

The farm lobby thinks it has a little breathing room. It believes that the Reagan Administration does not want to create domestic political problems for its new found friend, Mr Yasuhiro Nakasone, the Prime Minister, at a time when he is doing all he can to further Japanese-American ties.

But the respite is likely to be brief. It will not last beyond the next Japanese general election, which could well be later this year, and it could easily be broken by the demands of U.S. electoral politics, whose season has already started.

## Israel to increase export subsidy

By David Lerman in Tel Aviv

ISRAEL decided yesterday to increase its subsidy to exports by about US\$150m (£100m) this year, and to fund this through a 1 per cent levy on foreign currency purchases by the Israeli public.

As a further step to aid local producers, it was also decided to cut by 10 per cent the employees' payments to the National Insurance Institute for employees' social security, which, in future, will be 14 per cent of salary, instead of 15.5 per cent.

At the same time, the Cabinet yesterday also reduced the special import levy imposed last year to pay for the war in Lebanon from 3 per cent to 2 per cent. This is designed to prevent imports becoming more expensive as a result of the levy on foreign currency purchases.

Israel's exports have declined sharply during the past six months, after years of continuous growth. Exporters complained that this was partly the result of the Government's policy of keeping the creeping devaluation of the shekel well below the rate of inflation, thus making exports less profitable.

The main tool for increasing the subsidy to exports will be through reducing the premium which exporters pay for the Government-sponsored "Exchange Rate Insurance Scheme." This insures the exporter against the difference between rises in the wholesale price index and the controlled depreciation of the shekel in relation to the currency basket.

In practice, since the scheme was introduced in 1981, the premiums have only covered about one-third of the amount paid out in compensation for currency fluctuations. By now reducing the premiums, the Government is, in effect, increasing the size of the subsidy which it gives exporters through this insurance scheme.

The new economic measures will also increase the amount of cover available to Israeli companies exporting to "poor risk" countries, especially in South America and Eastern Europe.

It is estimated that, under the new arrangement, an exporter to Europe will get a subsidy of more than 20 cents in the dollar of added value. The export insurance scheme is mainly aimed at aiding exporters to Europe who have suffered because of the weakness of sterling and the French franc.

The Cabinet accepted the proposals of the Treasury yesterday over the objections of Mr Yitzhak Mordechai, the Energy Minister. He complained that, coming on top of the recent re-introduction of a travel tax, the new measures put the final nail in the coffin of the economic liberalisation programme, which the Likud Government introduced shortly after being elected in 1977.

## EEC mission in Egypt dumping probe

By Charles Richards in Cairo

THE European Community is sending a fact-finding mission to Egypt next week to look into MISR aluminium company following the opening of anti-dumping procedures in February by the EEC Commission on the state-run Egyptian company and aluminium concerns in the Soviet Union and Yugoslavia.

Unlike the other two countries, Egypt is linked to the EEC by a bilateral co-operation agreement. This stipulates that exploratory talks should be held before any action is taken by the EEC.

The mission arrives on Monday to do a break down of the production costs of aluminium at the Soviet-built smelter at Nag Hammadi, in Upper Egypt.

Nag Hammadi was built to make use of the cheap hydro-electric power generated by the Aswan High Dam. Despite a recent 80 per cent rise in the price of power supplied to the Nag Hammadi plant, energy prices are still heavily subsidised by the government at about one-fifth of world levels.

Egypt is only a modest exporter of aluminium. In 1981, the latest year for which EEC figures are available, Egypt exported 25,000 tonnes at a cost of 31.5m Ecu. West Germany took 15,000 tonnes, and Britain the UK and France took the balance.

The anti-dumping investigation reflects a greater determination on the part of the EEC to protect its markets in a time of recession. If investigations show that Egypt has been dumping Egyptian aluminium will be liable to punitive import levies. This comes at a time when Egypt is trying to increase its exports of non-oil products.

## British seek part in South Korean infrastructure projects

BY ANN CHARTERS IN SEOUL AND CHRISTIAN TYLER IN LONDON

BRITISH interest in several major South Korean infrastructure projects and concern about a growing imbalance in bilateral trade are among the reasons for a six-day visit to the country by Lord Cockfield, the UK Trade Secretary.

Lord Cockfield said in Seoul yesterday he hoped UK companies would be awarded the pending contract for the Pusan subway, expected to be announced by early next month. Other British concerns are interested in the Seoul-Pusan high-speed railway, a second integrated steel mill and future nuclear power station projects. An extension to Gimpo airport is also in the offing.

The Trade Secretary yesterday discussed Korean import restrictions on certain British consumer goods with economic ministers. Although no details were given, the items in question are understood to include passenger vehicles, textiles, whisky, cigarettes and confectionery, and some services like insurance.

UK companies could also join Korean construction groups on Middle Eastern contracts, Lord Cockfield said.

UK companies are also poised to transfer more technology to Korea in the fields of information and arms.

Last year, South Korea exported two-and-a-half times more to Britain in terms of value than Britain sold to South Korea. Lord Cockfield said that, although Korean exports as a total had shown little increase in 1982, Korea's exports to the UK had grown by 50 per cent. As a result, Korea's trade sur-



Lord Cockfield... concerned about trade imbalance

plus with Britain last year was the largest of the UK's bilateral accounts. Korea exported \$1.1bn (£730m) worth to the UK in 1982 while importing only \$403m worth.

Lord Cockfield will be meeting the Finance Minister, Minister of Science and Technology, Transport Minister and the Foreign Minister as well as making a courtesy call on President Chun Doo Hwan.

He will be visiting Hong Kong on Sunday.

● Kent Industrial Measurements, part of Brown Boveri Kent, has won an order worth around £1.2m to supply on-line chemical monitoring systems for the 2710MW Castle Peak "B" power station being built by the China Light and Power Company in Hong Kong.

## Afghanistan stuck with too much Soviet cash

BY MOHAMMED AFTAB IN ISLAMABAD

WAR-TORN Afghanistan is running a large balance of trade surplus with the Soviet Union, thanks to its sale of natural gas, but faces a problem dealing with the resulting credits Western diplomats have reported from Kabul.

Fighting between Afghan rebels and loyal forces, backed by more than 100,000 Soviet troops, has virtually paralysed the economy, including industry, farm production and fuel supplies.

Kabul is finding it increasingly difficult to feed and supply a swelling population in the capital, and wants to use the surpluses—estimated at \$300m (£200m) in 1982—to augment imports.

However, they can only be spent in the Soviet Union or among its East European allies and cannot be changed into hard currency for use elsewhere. The Afghan Government cannot find the goods it wants in these countries—and in one case earlier this year, a \$40m deal with East Germany actually fell through when Berlin insisted on U.S. dollars or some other Western currency.

The Kremlin has allowed Kabul to use \$99m in hard currency for foreign purchases, and this is being spent on imports from Singapore, Hong Kong, Taiwan, South Korea and Japan. Moscow is understood to have agreed to release hard currency worth another \$30m for consumer goods imports later this year.

The Soviet Union is also rushing in extra wheat and rice supplies and edible oil, textiles, and electronic products.

● Foster Wheeler Energy of the UK has been appointed consultant for design, purchase and erection for a wellhead gas compression project at Sul gas field, in south-west Pakistan, in preparation of awarding \$165m contract for equipment. The contract was awarded by Pakistan Petroleum in which British Petroleum of the UK and the Pakistan Government are the principal shareholders.

Foster Wheeler will start work immediately so that bids for the compression equipment are called by end of 1983, company officials said. This will be only the first phase of the project, which is to be completed by 1985. Remaining phases will cost another \$235m and will be completed later.



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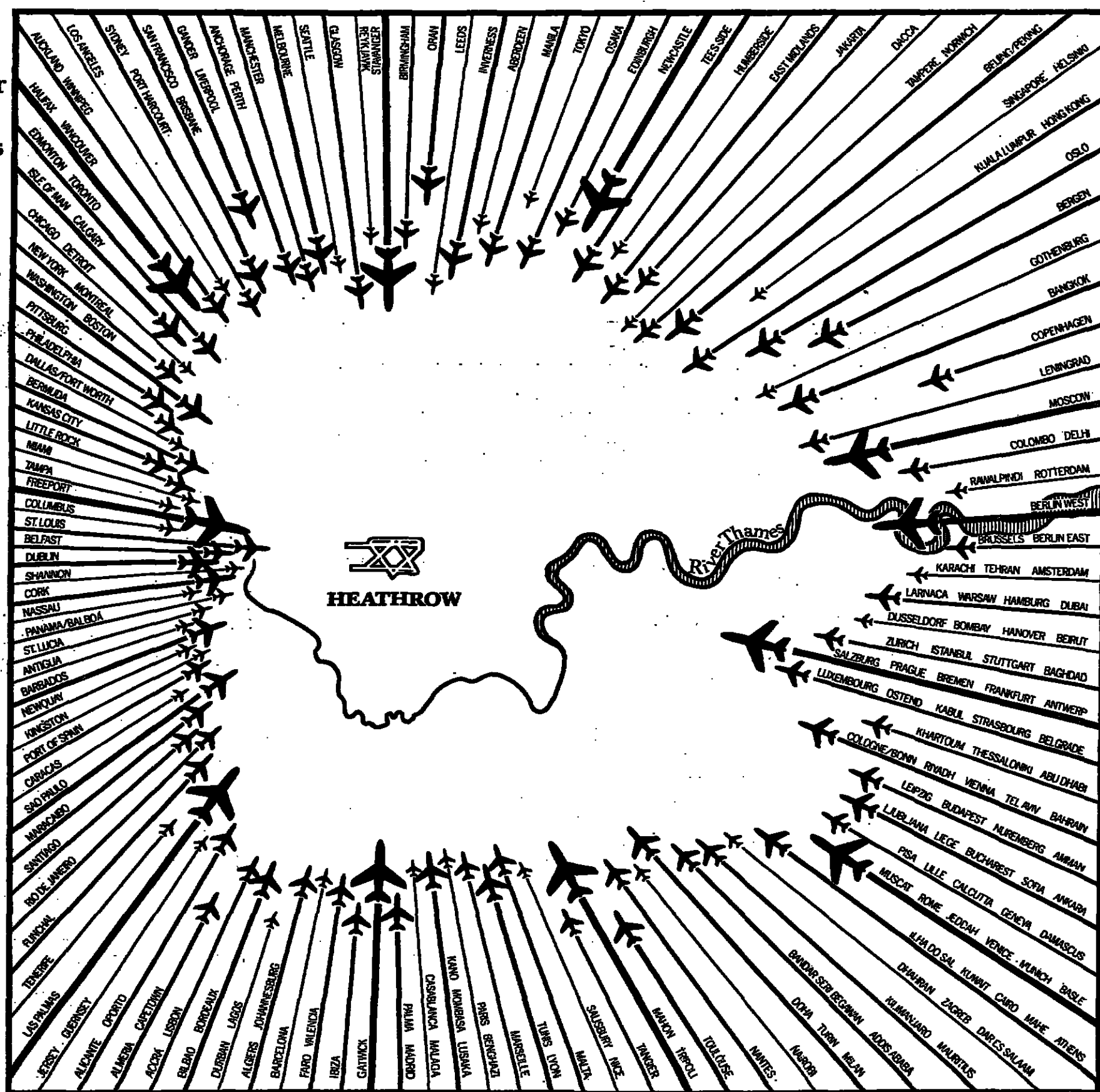
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## UK NEWS

# Honda and BL sign pact on joint car

BY JOHN GRIFFITHS

THE JOINT BL-Honda executive car planned for launch in 1985 took another step forward yesterday with the signing in Tokyo of a design and development agreement.

It committed both companies to the project - code-named XX - following the signing of a letter of intent in 1981, and defines each company's specific responsibilities in terms of the car's design and project management.

A joint technical committee is being set up to discuss component sourcing, manufacturing and distribution arrangements.

A BL spokesman said yesterday that a further agreement covering these aspects would be signed before the end of the year.

Terms of the next agreement will be of greatest interest to the UK's hard-pressed components industry, and to rival European manufactur-

An overwhelming vote by 5,000 workers at Austin Rover's Cowley assembly plant in Oxford to continue their strike over the management decision to stop "cleaning-up time" has dashed hopes of an early end to the protest.

The strikers will not meet again until next Thursday, provoking management worries over the impact of the dispute on the launch of the Maestro model.

The strike has halted output of the Maestro, Rover, Acclaim and Ambassador models. Some 4,500 cars with a showroom value of £25m have been lost - but BL said last night there could be no compromise.

Some of whom claim that the BL-Honda collaboration is allowing a Japanese "Trojan horse" into Europe.

The car will involve much greater collaboration than was the case with the Triumph Acclaim (basically a Honda Ballade built under licence).

BL will build its own version of the new car and a mechanically similar, but visually different, one for Honda in the UK; Honda will do the same for BL in Japan.

BL insists that the XX, in either version, will be "at least 80 per cent" British. M. Bernard Hanon, Renault's president, said recently that the car should be considered Japanese if local content "is less than 75-80 per cent."

The problem, however, is by what yardstick local content is measured. Renault claims that the Acclaim is 85 per cent Japanese. BL insists that it is 74 per cent British - a measure which includes all overheads and profit.

# Workers buy BSC offshoot for £15m

BY CHARLES BATCHELOR

BRITISH STEEL Corporation (BSC) has sold its Victaulic Company subsidiary, which makes pipe joints and seals, for £15m in the second largest employee buy-out to be arranged in the UK.

Nearly two-thirds of Victaulic's 880-strong workforce put up a total of £238,000 to take a 40 per cent stake in the company. Stanton and Staveley, a fully-owned BSC subsidiary, and a financial syndicate headed by Barclays Development Capital will each take up a further 30 per cent.

In the largest management buy-out yet agreed more than 10,000 employees and pensioners of the National Freight Corporation took an 82.5 per cent stake in their company in February 1982 in a £53.5m deal.

There is a big difference between being a private company and part of a nationalised industry," Mr Dennis Ford, non-executive chairman, said. "We have to get used to the back stopping with the managing director and not going on to British Steel."

Employees subscribed for 838,230 £1 shares, well above the minimum required of 600,000. Subscriptions included nearly 188,000 shares bought under a scheme which offered interest-free loans of up to £400 to each employee.

The total subscription represents an average of about £350 for each of the 880 employees, of whom 562 actually applied for shares.

Applications came from a wide range of employees, although directors took up 80,000 shares and other senior managers a further 118,000. Many took up second mortgages on their homes.

The financial syndicate which has taken up 30 per cent of the £2.09m share capital comprises Barclays Development Capital with 15 per cent and the Prudential Assurance Company and Industrial and Financial Commercial Finance Corporation with 1.5 per cent each.

In addition to the ordinary shares, £3.42m worth of preference shares has been issued to BSC and the financial syndicate.

# Arbitration unlikely in steel wage fight

By Brian Groom, Labour Staff

BRITISH STEEL last night appeared to rule out arbitration as a way of resolving its national pay wrangle after an intervention by the Advisory, Conciliation and Arbitration Service (Acas).

Mr Stephen Best, BSC industrial relations director, said after a meeting with Acas officials: "Nothing has changed. We have heard what Acas had to say and I do not think there is even any need to report back. We shall leave it there. It is up to Acas and the unions."

The 12 unions on the TUC steel committee asked Acas to intervene in an attempt to persuade BSC to reconsider its earlier refusal to go to arbitration. The unions want the corporation to pay a national wage increase, but BSC is offering only local productivity bonuses.

The main union, the Iron and Steel Trades Confederation (ISTC), has called its executive to a meeting next Tuesday. If Acas confirms that arbitration has been rejected, ISTC will discuss the next step with other unions.

Mr Bill Siz, ISTC general secretary, said BSC would be breaking agreements covering technicians, foremen, middle managers and blastfurnacemen, which contain the unilateral right to demand arbitration.

Meanwhile 7,500 workers at Scunthorpe seem likely to strike for 24 hours today in sympathy with the three-day-old strike over redundancies in Sheffield and Rotherham. Similar moves are being discussed in Teesside and South Wales.

All steel production in South Yorkshire was at a standstill yesterday. About 8,000 workers are on strike - 4,500 out of the 10,000 workers in the Special Steel Division's plants, and the rest in the steel and railway and ring roll products.

The dispute arose because of BSC's imposition of new shift patterns at Aldwarke and Templeborough works after 85 redundancies. There is a dispute between the corporation and ISTC about whether some of them were compulsory - BSC said 12 workers at Templeborough refused both voluntary redundancy and the offer of alternative employment, and had now left.

# Price of petrol set to increase

By Richard Johns

UK OIL companies are expected to raise petrol prices by about 10p a gallon in the next fortnight in an effort to cut the cost of supporting dealers - which is running at more than £2m a day.

Despite the fall in the dollar value of crude oil a determined attempt is considered imperative by all major operators if refining and marketing losses are to be curbed.

The price for the bulk of four-star petrol on the market has fallen to 168-169p a gallon. There is general consensus that it should be raised to at least 170p - the level at which the industry last tried to set it late last November.

The industry says the decline in the value of sterling against the dollar since the beginning of the year has more than offset the fall in crude oil prices. In addition, companies have had to absorb the increase in the excise tax of nearly 3.5p per gallon imposed in the 1983 budget.

# Syndicate at Lloyd's faces £4.6m losses

BY JOHN MOORE, CITY CORRESPONDENT

A LLOYD'S insurance syndicate, whose members include sports personalities Mark Cox and Virginia Wade, is expected to face total losses of at least £4.6m, according to latest estimates.

The syndicate, one of 431 in the London insurance market, is formed of 237 wealthy individuals who invest in Lloyd's by pledging their personal wealth to allow the Lloyd's market to function. They do not work at Lloyd's.

Members of the syndicate, which is managed by Spicer and White Underwriting Agencies, have already been warned that they face substantial losses.

For the underwriting year just completed syndicate members have been told total losses could be at least £1.8m.

Underwriting agents who have introduced members to the syndicate - known in Lloyd's as syndicate 895 - in conjunction with Spicer and White, have attempted to produce estimates of the likely losses which will be sustained on the next two underwriting accounts.

According to one underwriting

agent, who has communicated the projections to the member of Lloyd's whose affairs he looks after, those members who are underwriting £20,000 of business on the syndicate stand to lose £13,000 in the present underwriting account, while in the next account they stand to lose £11,000.

For the underwriting year just completed - which is the 1980 underwriting account under Lloyd's three year accounting method - those who have underwritten £20,000 of business stand to lose £15,000. In total, those who have underwritten £20,000 of business on the syndicate face estimated losses of £39,000 on past and future underwriting accounts.

Many of the members on the syndicate underwrote a maximum of only £10,000 of business. But their combined losses could rise to £4.6m.

The syndicate has ceased underwriting after a breach in the limits set down by Lloyd's which govern the amount of business the syndicate can accept.

Broker discloses Bermuda link, Page 10

# Thorn EMI to link with Mercury on cable TV project

BY JASON CRISP

THORN EMI, the electronics and entertainment group, and Mercury, the new private sector telecommunications supplier, are to co-operate to supply local cable television networks with programmes and services.

Last December the Government announced its broad plans for the expansion of the cable television industry. The latest link-up between Thorn and Mercury comes in advance of a White Paper which will give further details of government policy.

Mercury's main role in cable television is expected to be transmitting programmes around the country to supply local cable television franchises. British Telecom and Mercury are expected to have the exclusive rights to carry programmes between networks. (They also will have exclusive rights to provide a telephone service on a local network.)

Thorn EMI is one of the largest potential suppliers of programme material for cable television. In addition, it has considerable interest in the supply of hardware as the

largest UK manufacturer of colour televisions.

Through its Radio Rentals subsidiary it operates cable television in 22 locations for a total of 30,000 subscribers. Under the trial schemes permitted by the Government, Thorn EMI is running a pay television film service in Swindon and the Medway towns of Kent.

Mercury is a joint venture between Cable and Wireless, BP and Barclays Merchant Bank. Its major object is to provide a telecommunications network to compete with British Telecom. Initially, Mercury plans to establish a loop between major centres in England using optical fibres and microwave links.

Thorn EMI and Mercury have an agreement to co-operate in the supply of programmes to local cable television franchise holders. Thorn EMI said yesterday. The key factor in this decision is cost-effective national distribution of programmes, coupled with the inter-connection of independent cable systems to take full advantage of the possibilities of service functions other than entertainment television.

# Slowdown in growth of bank lending

BY JEREMY STONE

THE UNDERLYING growth in private sector UK lending by the London banks in the four weeks to March 16 was probably in the region of £500m to £600m, about £100m less than in the February banking month.

Shedding advances actually fell by £195m, but this compares with an expected seasonal fall of £650m; and there was some switching out of overdrafts into market-related borrowing from other banks, who were offering keener rates. Demand for finance from industry was still subdued, and the only significant increase in lending was £194m of additional finance for house purchase.

There was an increase of £35m in private sector sterling deposits with the London banks in March, contrasting with a seasonally normal drop of about £400m. So the underlying rise was in the order of £1.2m, mostly in time deposits.

Lex, Page 20

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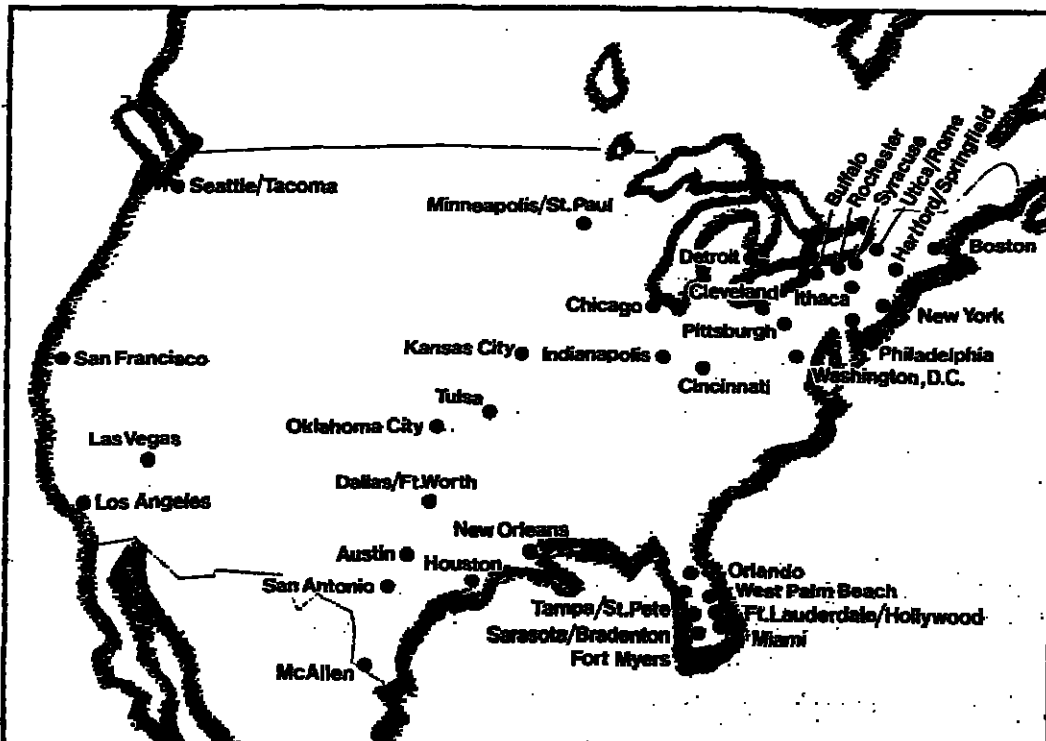


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S - STANDARD O - OPTIONAL									
8-SPEED GEARBOX AND APPROPRIATE AXLE		-	-	O	S	S	O	O	-
POWER ASSISTED CLUTCH		-	-	-	-	S	S	S	S
POWER ASSISTED STEERING		O	S	S	S	S	S	S	S
LAMINATED WINDSHIELD		S	S	S	S	S	S	S	S
STEERING COLUMN LOCK		S	S	S	S	S	S	S	S
THERMOVISCOUS FAN		S	S	S	S	S	S	S	S
REVERSING LAMP		S	S	S	S	S	S	S	S
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34	84	106	2254	4741	6757	7323	8312	9222	10224	10878	11436	12734	13880	15006	15778	16816	18002
45	84	106	2254	4741	6757	7323	8312	9222	10224	10878	11436	12734	13880	15006	15778	16816	18002
111	131	3284	4877	6622	7361	8227	9270	10242	10887	11441	12736	13710	15006	15778	16816	18002	
112	131	3284	4877	6622	7361	8227	9270	10242	10887	11441	12736	13710	15006	15778	16816	18002	
114	1429	3278	4868	6608	7278	8230	9269	10240	10887	11441	12736	13710	15006	15778	16816	18002	
122	1430	3438	4881	6700	7280	8240	9262	10253	10884	11478	12729	13717	15007	15779	16821	18003	
123	1430	3438	4881	6700	7280	8240	9262	10253	10884	11478	12729	13717	15007	15779	16821	18003	
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151	1598	3555	4919	6909	7483	8277	9309	10266	10948	11481	13030	13897	15007	15779	16821	18003	
163	1496	3549	4934	6915	7487	8282	9314	10261	10986	11515	13101	13905	15111	15784	16827	18076	
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181	1711	3597	5049	6942	7439	8314	9414	10331	11000	11621	13129	13929	15123	15798	16898	18392	
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## TECHNOLOGY

HOW TO RESTORE THE GLORY THAT ONCE WAS ROME

## Elixir of life for crumbling statues

BY JAMES BUXTON IN ROME

YOU SEE them all over Italy: marble statues, friezes and facades visibly crumbling away, their surfaces rough to the touch, the images they were meant to portray blurred if not invisible.

The classic example is in Rome itself, where many of the marble reliefs on the Roman columns and arches, telling of the triumphs of the emperors, have in only about 85 years of exposure to modern atmospheric pollution decayed as much as in the past two millennia to the extent that they are sad shadows of what they were.

The destruction of the marble monuments, both on Roman and medieval buildings, is already a tragedy. Those responsible for them have realised too late what was happening; often lacking the scientific or financial means to do anything about it and had a thousand other pressing problems to contend with.

But it may now be that what one scientist involved calls jokingly the "elixir of long life" for marble has at last been discovered.

## Little crusty

At a gathering in the Tuscan city of Lucca a few days ago, scientists and art experts showed off the effects of applying to marble a highly sophisticated chemical, which is normally used not on ancient monuments but on space vehicles.

The chemical substance, called Fomblin Y Met, was recently sprayed onto the 12th-century religious figures by a university sculptor which decorate the facade of the Cathedral of St. Martin, in the centre of Lucca.

The Fomblin was applied after some long overdue cleaning work had been done on the figures, which had left them looking clean but a little crusty and dull.

After the Fomblin was applied, the stone miraculously regained its original texture and brightness, and its original colour and the restorers believe that they have given it almost permanent protection against the effects of atmospheric pollution.

But how could Fomblin, which was invented by Montedison, a subsidiary of the Italian chemical company Montedison, ever come to be used on stone work?

Dr Franco Piacenti is director of the Italian National Research Council Centre for the study of the decay and conservation of art works at Florence University. Like others he was aware that the carbonate of calcium which marble and similar stone contain becomes highly soluble when it meets water containing carbonic anhydride — which, together with sulphuric acid, nitrogen oxides and sulphurous anhydrides, are all present in the air of a modern city, caused by industry, traffic and domestic heating (which in Italy uses heavy fuel oil).

These chemical substances get into marble when it rains and spread via water vapour in damp weather (as happened at

Lucca where the decayed sculptures are in a covered portico). The action of the pollutants starts to dissolve the same, setting to work microorganisms which further damage it. This lets more water penetrate the stone and in cold weather it freezes, thus making the stone break or crumble.

Dr Piacenti decided he wanted a substance which would not dissolve in water but which was permeable by air, so that it would gradually reduce the absorption of water while allowing air to circulate — permitting the marble or similar stone to breathe. It had to be inert both to the stone and the atmosphere, being resistant, transparent and odourless.

He put the specifications to Dr Adolfo Faselli of Montedison in Milan who said that they already had just the thing: Fomblin, needing only some specialised development to be ready for use on marble.

Montedison, which specialises in fluoride products, is the only producer of a product with the characteristics of Fomblin, whose prime applications are for such things as lubricating the external parts of the U.S. space shuttle and other space vehicles. It is also used in precision instruments, and in the electronic and nuclear industries.

In the past three years Dr Piacenti has applied Fomblin to parts of buildings in Florence and Siena and to a statue in the Boboli Gardens in Florence. Though the application in Lucca was only a few months ago, laboratory tests suggest that an application of Fomblin remains effective for about half a century.

Does this mean that Italy's crumbling marble monuments can be saved? The discovery of the use of Fomblin suggests that decay caused by atmospheric pollution can at least be arrested and figures which have been cleaned restored to their original colour.

But atmospheric pollution is not the only cause of damage: vibration from traffic, earthquakes, pigeons, the physical wear of visitors, all take their toll. And Fomblin can only preserve what exists: it cannot consolidate — fill in the holes and gaps — which would be necessary to return badly damaged monuments to their original splendour.

The extension of the Fomblin process to develop a consolidating agent could come next. Experience with existing consolidation agents normally based on silicone has often been disappointing and, according to Dr Piacenti, frequently disastrous. He points out how the application of finisettes of zinc to the Donatello sculpted pulpit in the Cathedral of Prato near Florence virtually destroyed what it was supposed to be consolidating, and is critical of the use of silicone-based products on some of the Roman remains in Rome. "The results speak for themselves," he says grimly.

But with the regional, political and other jealousies which infect the art restoration world



ments to their original splendour.

In Italy, there is no guarantee that the new "elixir" will be applied in Rome. For the moment, many Roman monuments remain shrouded in covers and protected by scaffolding before a "solution" can be found. Some are in such a bad state that an attempt to clean them, before applying a preservative, might cause further damage.

Above, the portico of the cathedral of St. Martin in Lucca and (right) a detail of the marble decorations after cleaning and treatment with Fomblin Y Met.

Fomblin Y Met

## NAVAL ARCHITECTURE

## Computer predictions for ship design

NAVAL ARCHITECTS in the University of Strathclyde, Glasgow, have devised a computer programme that can predict the most cost-effective design and production methods for ships and offshore structures.

The computer programme, known as PRODCOST, is the work of a team including Professor Cheng Kuo, Dr Kenneth MacCallum and members of the university's department of ship and marine technology.

By using a production unit approach, PRODCOST allows shipbuilders to compute the

total cost of production — including the costs of materials, labour and overheads for various designs and specifications. The new method is the first to take full account of production factors — or "productivity" — in the design assessment of ships and semi-submersibles, a factor that is crucial in determining a yard's ability to meet the delivery date as well as keeping costs down.

In a paper on the subject to be delivered in America next week at the spring meeting of the Society of Naval Architects and Marine Engineers in Washington, DC, the authors state:

"In the past the designer was under pressure to provide a 'good' design quickly, and he had neither the time nor the facilities to incorporate key information, such as building costs and ease of maintenance.

However, with the advent of powerful computers it is now possible to assess all the relevant factors, including the effect of design on the cost of production.

## Influence

The Strathclyde University programme can take account of production factors such as construction sequence and practice, production facilities and work rates, and it is able to reflect accurately the influence of design decisions on relative production costs.

Professor Cheng Kuo, head of Strathclyde's Department of Ship and Marine Technology, said: "This new approach can be applied to a wide range of different types of steel structures, typically including ships and offshore vehicles. Applications of these techniques, backed up by reliable production data, would provide a basis for cost-effective designs to be designed to be generated."

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## 'Perhaps the bravest man I ever knew...'



## and now, he cannot bear to turn a corner

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It is the bravest man and women from the Services who suffer most from mental breakdown. For they have tried, each one of them, to give more, much more, than they could in the service of our Country. We look after these brave men and women. We help them at home, and in hospital. We run our own Convalescent Home and, for those who are homeless and cannot look after themselves in the community, our Hostel gives permanent accommodation. For others, there is our Veterans' Home where they can see out their days in peace. These men and women have given their minds to their Country. If we are to help them, we must have funds. Do please help us with a donation, and let a legacy too, perhaps. The debt is owed by all of us.

"They've given more than they could — please give as much as you can."

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EDITED BY ALAN CANE

## AFTER THE JET ENGINE

## 16-bit power for process control

BY ELAINE WILLIAMS

IN A FACTORY once occupied by Sir Frank Whittle, Britain's father of the jet engine, a small UK company is making sophisticated 16-bit microcomputers for use in industry.

Next month, Bleasdale computers will introduce an upgraded version of its BDC 600 universal computer system which will be £2,000 cheaper than its previous model. The company's products are mainly aimed at industrial process control and instrumentation applications.

The computer incorporates the latest high density miniaturisation for data storage which are cheaper than the present system used in the machine. At the lower price of £3,500 Mr Eddie Bleasdale, founder of the company, believes it is very price competitive with U.S. rivals.

Mr Bleasdale started his company in 1975 to run training courses in the design of computer systems for real time control applications. The company obtained funding for its work under the Department of Industry's Microprocessor Awareness Programme and training is still a major revenue earner.

## Popularity

While running such courses, Bleasdale needed to use computer and use the UNIX operating range of processors to demonstrate different applications. Finding none suitable, Mr Bleasdale and his team decided to develop a system themselves. They chose to build a 16-bit computer and use the UNIX operating system because of its power and its growing popularity among the computing fraternity in the U.S.

Now, manufacturing and selling computer systems accounts for 70 per cent of the business and the company hopes to have a turnover of £1m by the financial year end. However, Mr Bleasdale said that its manufac-

turing activities are limited since the company's real expertise lies in systems design. "We would prefer to have other companies take on the manufacture," he said.

However, this desire has not stopped Mr Bleasdale planning more sophisticated products. He wants to develop communications for the machine and is already developing a local area network based on British Telecom's broadband network over coaxial cables.

Mr Bleasdale also wants to set up a message switching centre allowing customers to communicate via a system set up at the company's London base.

"We have never had large amounts of equity funding so that we have never been able to take the long term view. All our projects must pay off within a year," he said.

## Broadcasting Quality receiver

KNOWING THAT many people abroad would like to enjoy simpler and better reception of the BBC Overseas Service, Phase Track of Reading has introduced a high quality receiver specifically for that purpose called Luliplex F1.

Unless one is an amateur radio enthusiast, trying to tune in and listen at entertainment level on the short wavebands can be tedious and there is good reason to believe that people often do not bother with it for that reason.

For example, the Listener either has to know, or find by knob twiddling, the best of the nine frequencies used for the service. Reception varies according to the time of day or night and in any case can be less than satisfactory with

## Contract Research &amp; Development-Contact IRD

International Research & Development Co Ltd  
Fossway, Newcastle upon Tyne NE6 2YD

many commercial radios' short wave facilities.

On the Luliplex F1 the listener has no band searching to do, but has instead a nine position rotary switch that tunes the radio to one of the frequencies using nine crystal controlled tuning circuits.

In addition, special demodulation circuits have the effect of minimising distortion due to fading, reducing interference from other stations and cutting down local interference from electrical appliances. The receiver costs about £500 and more details can be obtained from the company on 0734 53933.

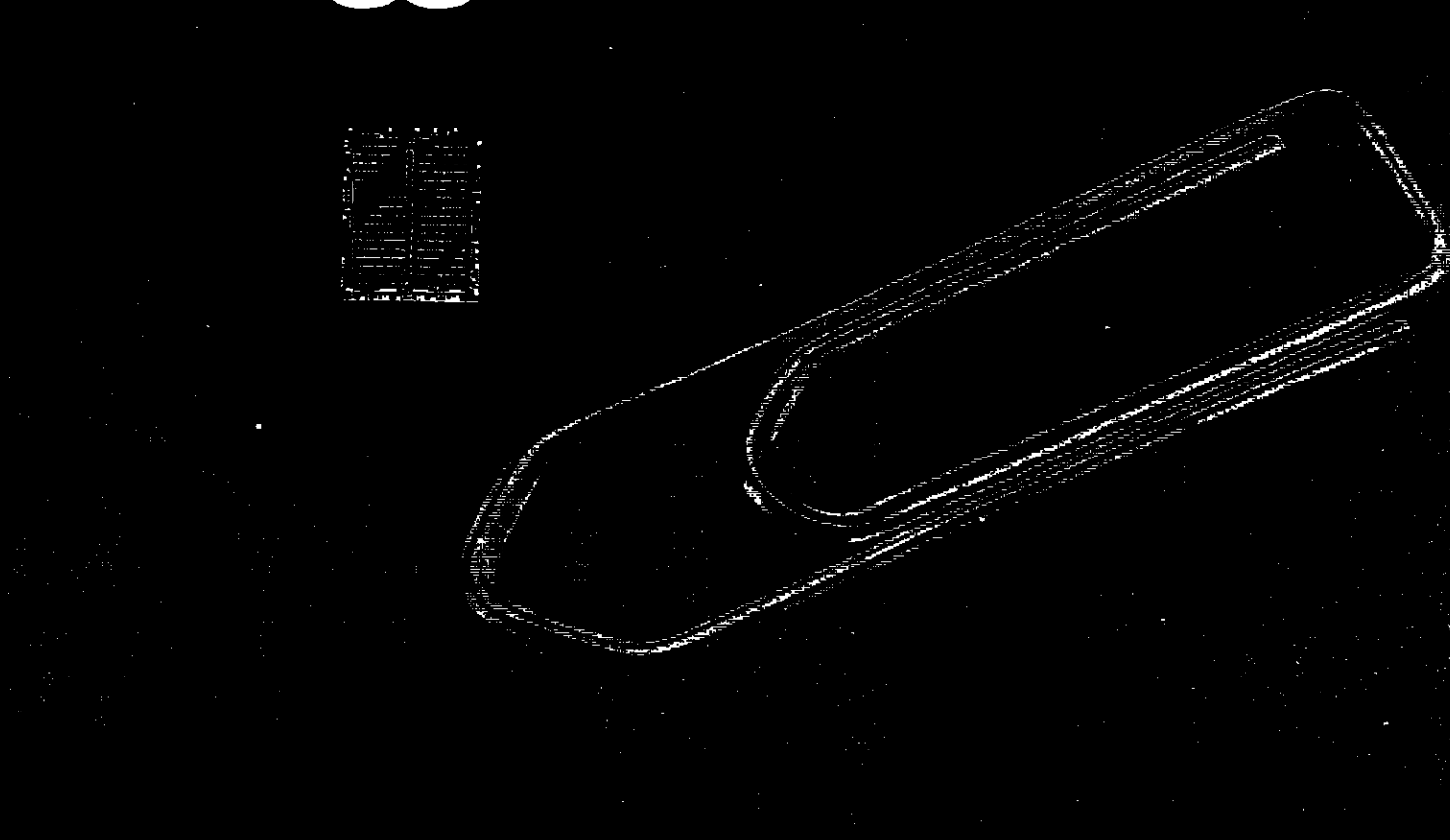
## Heat treatment Seminar topics

ELECTRONIC systems and components in machine design, and a guide to low distortion heat treatment of ferrous material for the design engineer are two topics for discussion at seminars being arranged by the Machine Tool Industry Research Association. The first is on May 26, the second on June 9. Details are available from Mrs E. Rosman, MTIRA, Huxley Road, Marcellfield, Cheshire (0625 25241).

## Multiplexer Upgraded

AN UPGRADED version of the DMX 219 two channel multiplexer has been introduced by Scitel, Wokingham, Berkshire. The company says that it has incorporated higher speed microprocessors so that it can now operate at 19,200 bits/second. The DMX 219 can operate on lease or private lines as well as the public network. More information on this device is available on 0734 791961.

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# THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

IF YOUR product is number one in its market there is enormous pressure to aim for nothing less than the launch of a new one. Which is clearly why Coca-Cola will be spending £1.5m in the UK in the three months May to July on posters, commercials on TV and radio, and advertisements in trade and women's magazines when it introduces its new Diet Coke.

Coca-Cola appears to be pitching hard for the number one spot in what it believes to be a rapidly expanding section of the soft drinks market. At present, its Tab brand claims around one-fifth of the UK low-calorie carbonated market (excluding mixers) of some £35m. It lies in second place to Diet Pepsi in the low-calorie cola market, while by far the biggest brand in the whole low-calorie market is 1 Cal, an RHM product which, in terms of litres sold, has around 80 per cent of the market.

Coca-Cola says it has introduced Diet Coke—the first product to bear the company's brand name since the original drink was launched in 1985—because the market is growing so fast there is room for it to have two products.

It also seems likely that because Tab has been promoted



## Outsize budget for slimline product

—both in the UK and the U.S.—more as a drink for women on a low-calorie diet, it now has a particular, and limited niche in the market. Diet Coke, in contrast, is aimed at everybody, and in particular the 15-34 age group "now taking part in a more active lifestyle through sports and leisure pursuits," as Coca-Cola itself likes to put it.

Several years of research, three years of testing in the U.S. and 18 months of research in the UK preceded the launch of Diet Coke. In an effort to ensure both a product that retained the familiar Coke taste (while masking the taste generally present when saccharine is used as a sweetener instead of sugar) and

a packaging which was both familiar, yet different. The same colours are used, though Diet Coke adds silver stripes to a red on white background, while Coke's white on red remains.

Diet Coke was launched six months ago in the U.S. on a regional basis, starting in New York, and has now achieved national distribution. Diet Coke is already claiming to have made inroads on the competition in some areas where initial results are available (Coke claims to sell on a three to two basis against its main rival Pepsi Cola in the U.S.—it claims a five-to-one advantage in the UK).

Coca-Cola's consumer campaign has been preceded in recent weeks by a major hype among its bottlers and larger distributors throughout the UK with jamborees in Birmingham and, last week, in London.

The London event—at the Hilton Hotel—included a cabaret by the singer Andy Williams, flown from the U.S. specially for the occasion. Coca-Cola is no doubt hoping that a slip of the tongue by Mr Williams (the inadvertently spoke of Diet Pepsi instead of Diet Coke) will be the first and last time this will happen.

Nicholas Leslie

## Manufacturers compete for Irish drivers

IRISH MOTORISTS are still reeling from February's Budget, which increased VAT on cars by 5 per cent and added 11p to a gallon of petrol. But they are being lured into the showroom with some very special offers, as manufacturers fight to hold their share of a dwindling market.

New car sales in the Irish Republic are expected to fall by at least 10 per cent this year, while the introduction of new models like the Fiat's Maestro, Fiat's Uno, General Motors' Corsa and Toyota's Camry will make the competition keener.

The most generous (and expensive) of the special offers presently going the rounds is one from Fiat. Customers going from £2,000 on a 127 model, to £1,000 on a Ritmo 105 TC. The company has also not yet passed on the VAT increase.

However, the most imaginative offer comes from Ford, which offers purchasers of new Escorts free airline tickets to the U.S. and half the fare if an American friend or relative of the customer comes to Ireland.

Ford is traditionally the market leader in Ireland, with about 30 per cent of sales, and the company is determined to hold that position. Patrick Hayes of Ford Ireland believes Escort sales will be up at least 50 per cent when the scheme ends in June. "I don't think the competition will be able to come up with anything as exciting," he says.

General Motors, meanwhile, has been offering a free drive for a 1984 house for anyone who takes even a test drive. "We believe this has had an effect on sales," says Ken McDade of GM Distribution Ireland. "If we can get people into the showroom, we can make the sale."

Other companies are so far staying aloof from special offers. Herman O'Brien, managing director of Austin-Rover (BL's Irish subsidiary), believes the publicity surrounding the Maestro launch, plus a keen pricing policy, will enable the company to gain 6 per cent of the market this year, compared with last year's 4.3 per cent. All the companies, even those which eschew special offers, are concentrating on promotion and increased support—for their dealer network. Says one advertising agency: "The advertising agencies are going to have a good year."

Brendan Keenan

## Point of sale

# Supplying the vital link in the marketing chain

BY FEONA MCEWAN



A range of leaflets produced by CPM for Dairy Crest as a sales aid to the catering trade

ALL THE advertising in the world is worthless unless there is a solid distribution machine to get the goods to the customer.

Every good marketer knows this and no one better than Mars. Now selling in the UK about 2.5m of its famous bars a day—not to mention its other well known brands like Milky Way—Mars must have a means of ensuring that shop shelves are filled with its products and that they are fresh and correctly priced. Its regular sales force has its part to play, of course, but the company also uses some 350 auxiliary workers as a last link in its supply chain.

They are all part-timers who if demand requires it, get supplies from the company's warehouse, price the bars and personally fill shelves in a whole variety of shops. The frequency of their task varies, but in shops where there are good volume sales the auxiliaries may visit three times a week.

Manufacturers of all sorts, whether their business is ice cream, holidays, computers or motor cars, are increasingly finding it expedient to farm out that fraction of their marketing equation which is essentially a temporary, seasonal job. This enables them to conserve their own workforces for more main-line business.

The place to which a great many manufacturers go for such back-up services is Counter Products Marketing, a leading sales promotion and merchandising company. Its founder, J. Bede Egerton, summed up his business with the line: "I can't be bought if I don't have it."

Nearly 50 years later, his nephew, Richard Morris-Adams, the student who stayed to buy the company (with "no money but a super accountant," Cecil Parkinson, now chairman of the Conservative Party), continues to trade under the same banner.

Because of the way it moulds its services to its myriad clients, CPM is different things to different people. To HELP charity cards (Joint Charity Cards Association), for instance, it is the sales team that for three critical months every

year, starting straight after Christmas, calls on the retail trade to book next year's orders; to Fyffes it is the team responsible for overseeing promotional displays of its lawn-mowers in stores in the annual sales tussle with rival machines; to Walls Ice Cream it is the team which re-dresses the nation's freezers, all 20,000 of them, cleaning them out and updating point-of-sale material.

To Exchange Travel Holidays, CPM means 25 promoters who visit all 35,000 ABTA travel agents around the country, to introduce its new brochure, often with the benefit of personal knowledge of destinations, etc. To British Meat, for which CPM has worked for seven years, it is the team which visits all 21,000 independent butchers in a whistletop 10 or less days, supporting general media campaigns with point-of-sale back-up material.

CPM orchestrates its business with a hard core of 70 permanent staff based at head office in Thame, Oxfordshire, and has some 1,000 auxiliary workers around the country from Inverness to Penzance.

Many auxiliaries are part-timers, mostly women, with solid track records in selling and merchandising; an average of 30 applicants a week queue up to join the pool of 4,000 already on the books.

"There's a vast untapped resource of keen and able workers out there," says Morris-Adams. Some clients' demands are taller than others. Texas Instruments made a last minute request for a team of computer experts who could also sell, to visit its main stores in the six weeks run-up to Christmas on peak days Friday and Saturday.

Nationwide interviews followed and the required 126 experts were duly found plus 60 in reserve. The client was happy and a similar assignment is planned for this year. CPM's annual fee income has multiplied fourfold in the last five years and now totals £3.5m, with a projected £5m by 1985. In advertising agency terms, CPM's annual billing (ie, money clients put in to be spent on their behalf) would amount to £2m.

The remaining quarter of the company's business is promotional development. Recent projects include redesigning the logo for a new range of garden equipment for Bulldog Tools, and helping to design a cocktail package for Bols liqueurs to be distributed around public houses. Competitions are a regular feature.

"Some clients need us for a day, some for a week, some for a lifetime," says Morris-Adams. "They may spend a few hundred pounds here or several thousand."

## The threat of video games to toy shops

UNLESS toy retailers stock and sell more video games their market will be cut from beneath their feet as sales of conventional toys suffer.

This was the warning given to toy retailers recently by Palitoy, a leading UK toy manufacturer. Palitoy claims that its forecasts, based on accepted similarities between the UK and U.S. markets, are well founded.

The company's main prediction is that the video games market in the UK, valued at £110m last year, will treble by 1985, with a consequent 5 per cent a year fall in traditional toy sales from £337m last year to £267m.

Since it is claimed that nearly 40 per cent of the growth in video games in the U.S. has been at the expense of other toys and games, Palitoy suggests that the implications for Britain's toy retailers are serious. These retailers now sell only about 10 per cent of video games, the bulk being handled by multiples, department stores and electrical shops.

In the U.S. market, which is about 18 months ahead of Britain and very similar to it, toy stores—aware of the growth potential of video games—have

cornered 40 per cent of sales.

Palitoy, part of the U.S. company, General Mills, which also owns Parker Brothers, a video games manufacturer, is itself aware of the danger. Managing director, Peter Waterman, says that future production would have to be tailored to a rapidly changing market.

He believes that by 1985 Palitoy's present turnover of about £35m would be doubled as a result of the boom in video games. They would then account for about 40 per cent of its sales.

"I don't believe for a moment that this is a fad. It is part of a technical change which has altered the nature of game playing and there is no going back," he says.

Hardware manufacturers, while generally doing well, are also faced with increased competition from personal computers and competitors' new products, such as the Atari 5200 and a new Coleco System, which takes a stride forward in graphics and games play.

Continual investment in new products is therefore likely to be necessary, as each manufacturer seeks to leapfrog the others in a fast moving market.

Palitoy sees the video games phenomenon as one which has come about through a number of converging trends in small computers, the sophistication of children and the need for new types of toys.

Investment by American computer and games hardware companies has been fuelled by the U.S. amusement arcade industry, now said to be generating \$7m a year, from which the top selling home games are derived.

The American hardware manufacturers, such as Atari, Intellivision, and Mattel, are now turning their attention strongly towards the attractive UK market, as indicated by the rise in advertising expenditure from about £500,000 in 1980 to more than £1m last year.

One of the key factors in the marketing of video games is said to be the relationship between sales of the machines on which the games are played (and household computers which can also be used) and the games or cartridges.

While a video game machine is designed for a specific purpose, the computer is capable of a range of tasks and its higher memory capacity offers more advanced graphics.

Around 2 per cent of UK households now have home computers, but as prices fall and advertising support increases, the market is likely to expand fast, to the advantage of games suppliers, Palitoy suggests.

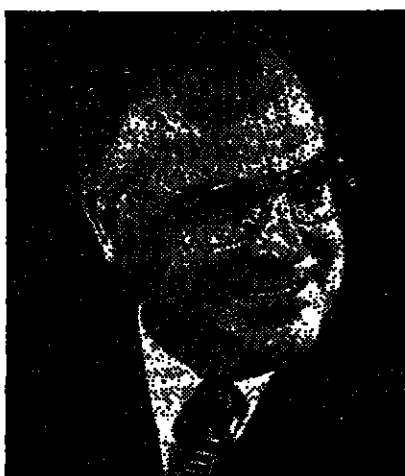
Software is now seen as the fastest growing part of the market. Last year it was split fairly evenly between software and hardware, but by 1985 sales of software (based on an average of three cartridges a year for each hardware owner) are expected to take 70 per cent of the market, amounting to £90m.

There are six main software producers in the UK—the hardware manufacturers: Atari, Mattel and Philips; and three software-only suppliers: Parker, Activision and Imagic, each producing cartridges for some or all of the hardware.

Although at its recent conference Palitoy offered considerable advice on how video games should be presented in shops and what hardware should be sold (such as the best-selling Atari 5200), one retailer's objection remained simple: "I just don't think there is the demand in my area," he said.

Lorne Barling

# Three of 590,000 WELT readers.



Dr. Helmut Kohl, Chancellor of the Federal Republic

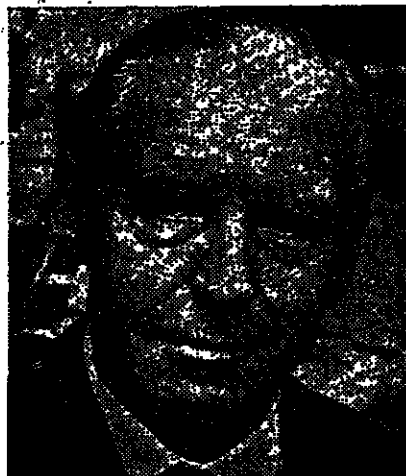
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## FINANCIAL TIMES SURVEY

Thursday April 7, 1983

## Swaziland

The death of King Sobhuza II after 61 years autocratic rule has sparked off a political conflict in a nation which is uneasily poised between black Africa and the Republic of South Africa. I. D. F. Jones reports on the political and economic outlook in Swaziland

## Battle royal over policies

"HIS MAJESTY" has 28 numbers listed in the Swaziland telephone directory, but the policies and preferences of the Kingdom's Royal Government are not as easily accessible. King Sobhuza II died last August at the age of 83 after 61 years on the throne, and it is evident that his nation is still uncertain of where his legacy should lead.

Sovereign power is now held by the Queen Mother, Queen Regent Dlamini. There has been no announcement but it is believed that the next king has been chosen. He is said to be a 14-year-old prince, Makhosonke A.K.A. Makhosonke, and he has been despatched to one of those British public schools which will inculcate royal and many virtues.

In his absence, a battle-royal has been going on between what can (very loosely) be termed the "traditionalist" and "modernist" camps. The Queen Regent is understood to adjudge from the Royal Cattle Byre and the Beehive Huts of Loxita, on the hill opposite the casino-hotel complex of the beautiful Ezulwini valley, between Mbabane and Manzini.

This is a political conflict that

seems very distant from conventional twentieth century analysis. Diplomats, journalists and non-Swazis admit that they have little idea about what exactly has been going on in Loxita. Thus, earlier last month the allegedly "modernist" Prime Minister, Prince Mabandla Dlamini, was thought to hold the upper hand and two of his arch rivals, Prince Mfawakhe and Chief Mfawakhe, were in jail; presumably the Queen Regent—the Ndlovukazi or "Great She Elephant," as she is known—approved.

## About turn

Later however, there was an about-turn. Prince Mabandla was removed from power (and later prudently retreated to South Africa) and the Prince and the Chief released. It all threatened to be rather confusing. The Swazi chiefs were summoned and it emerged that the new Prime Minister was to be Prince Bhikini Dlamini (59), a proven traditionalist, who, apart from having fought in the Eighth Army in World War II, held a Cabinet post in the Sixties and more recently has

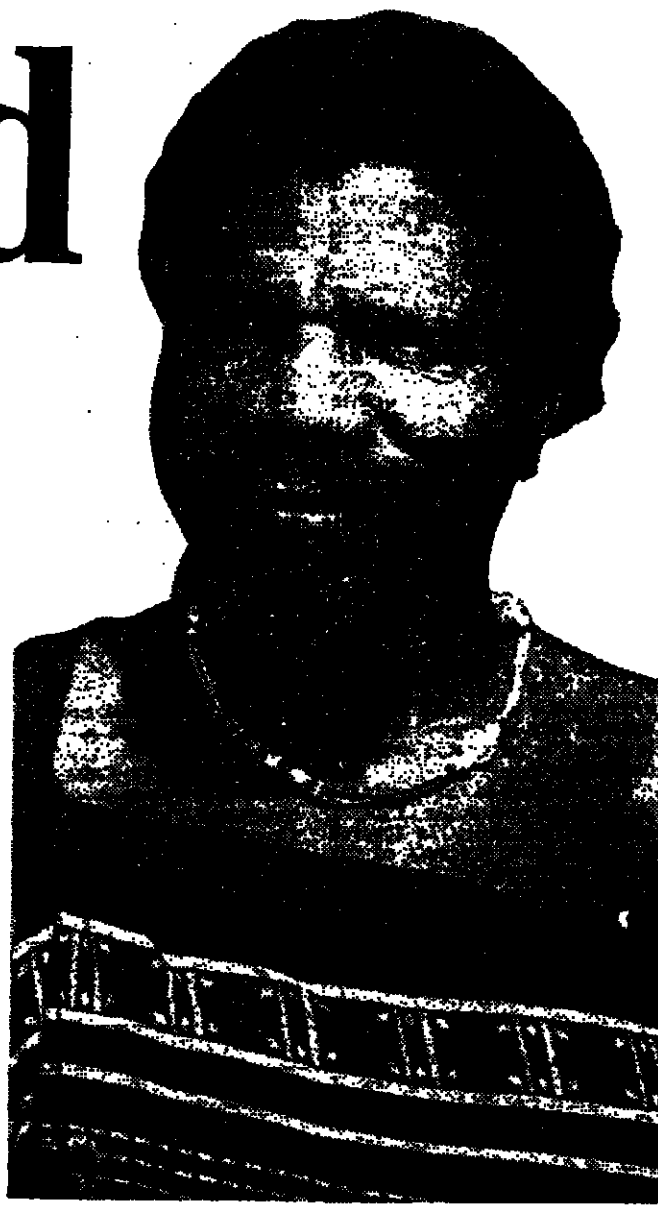
been Deputy Minister in the Deputy Prime Minister's department. He is both a surprise choice and an unknown quantity.

This is clearly a victory for the traditionalists though it is too early to say whether that victory is a permanent one and whether the new Government will favour policies markedly different from those of Prince Mabandla. The Queen Regent has indicated that elections—by which is meant a uniquely Swazi system of indirect election, controlled by the palace—will be held later this year.

Much of the obscurity of Swazi politics can be attributed to the dual system which was Sobhuza's principal legacy. He left a royal council—the Ligo, representing the traditionalist chiefs—and also a "modern" Ministerial government. The relationship between these two structures—or rather, the struggle for supremacy between them, with no one sure which side the sovereign Queen would come down—explains the murkiness, the cross-currents, and the near-paralysis of Swazi Government over the past six months.

This duality is best explained as a legacy of the colonial period. Sobhuza always seemed to have thought of parallel systems—"we" and "them," the Swazis and the British, and therefore, after independence, the Swazi Nation and the Swaziland Government.

This parallelism has extended into economic as well as political affairs, sometimes with



King Sobhuza II who ruled for 61 years; uncertainty on where his legacy should lead

confusing results. The best example is the way a "traditionalist" organisation, Tibiyo Taka Ngwane, with its origins in the Swazi's obsession with their land, has become the most powerful agency for economic development in the country although government agencies of a more conventional type also exist.

Yet this curious and often mysterious nation is situated in the very front line of one of the world's 20th-century trouble spots. Swaziland barely escaped incorporation into what is today the Republic of South Africa,

and today the Kingdom's affairs inevitably and intimately mesh with the policies that come out of Pretoria.

If it were not for the British Government's refusal years ago to agree to incorporation of the High Commission Territories into the then Union, Swaziland might today be another of the homeland states which South Africa has set up for its ethnically-demarcated black population. Indeed, the South African Government has during the past year tried to transfer its own Swazi population from the Kungwene Homeland to Swazi-

Economy: dominance of sugar exports heightens needs for diversification of products and trading outlets ..... II

Infrastructure: Northern rail link to go ahead ..... II

Industry: trying to bridge the "job gap" ..... III

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Agriculture: duality of land tenure system raises problems ..... IV  
Profile: Commonwealth Development Corporation ..... IV  
Tourism: search for a new formula ..... IV  
Editorial production: Arthur Dawson  
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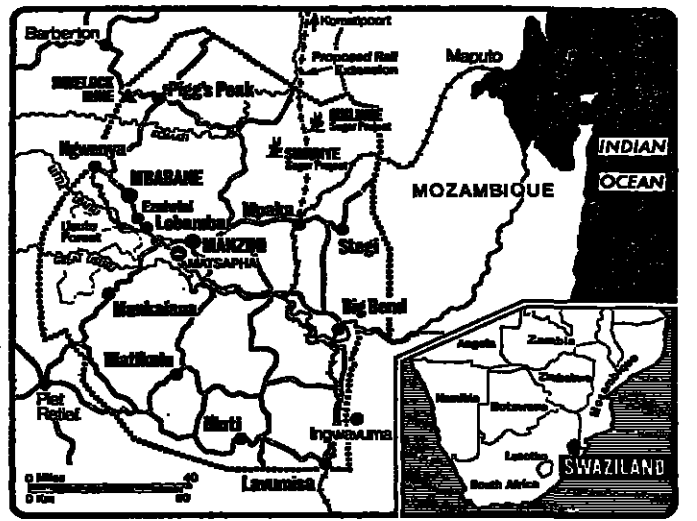
## BASIC STATISTICS

Population: 605,000 (est.)  
Area: 17,363 sq km  
GNP per capita (1979): E669  
Gross international reserves: (end-1982): E86.6m  
Exports 1981: E330.4m  
Imports 1981: E381.4m  
Swaziland is a member of the Rand Monetary Area and its currency, the Lilangeni (plural Emalangeni) is on a par with the Rand.  
R1.60 = £1 R1.68 = \$1

escape from apartheid and puritanism, they provide gambling, soft-core pornography (Koo Stark in The Awakening of Emily has been showing for months), multi-racial sex.

They also have a function as a haven for refugees from South Africa—though that can ways Swaziland must at Pretoria's image of a good black neighbour.

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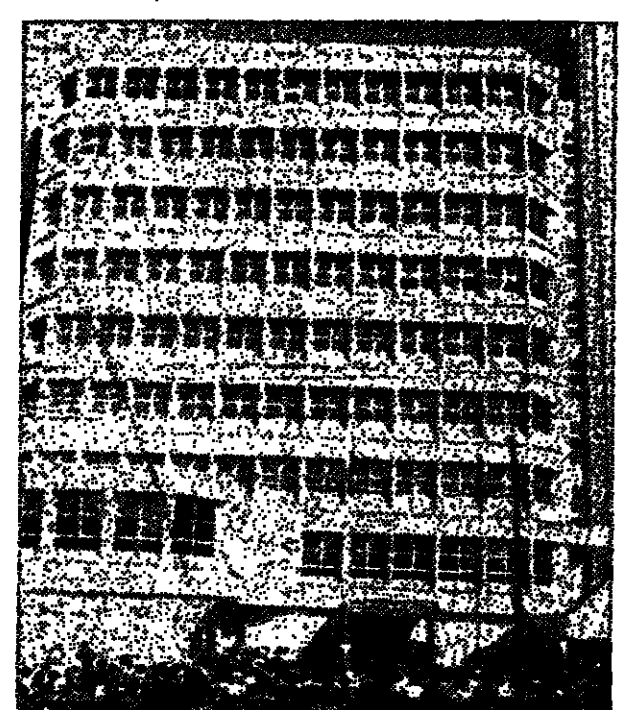
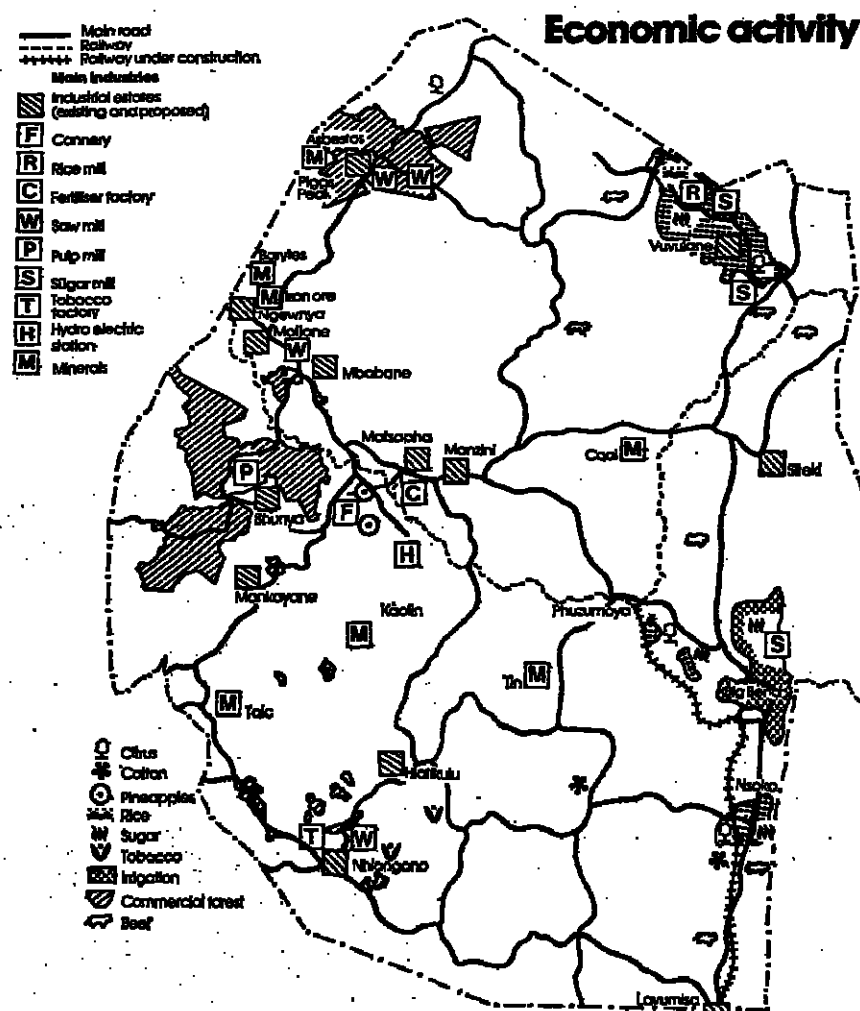


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## FACTS AND FIGURES

Capital	Mbabane
Population	494 534 (1976)
Neighbouring territories	Mozambique and South Africa
Main crops	Sugar, maize, citrus, cotton, pineapples and tobacco
Mineral potential	Coal, asbestos, tin, gold
Exports	Sugar, woodpulp, asbestos, meat and meat products, fruit, coal
Imports	Manufactured articles, machinery and transport equipment, chemicals, minerals, fuels and lubricants
Industrial estates	Matsapha, Nhangano, Ngwenya
Currency	1 Lilangeni (plural Emalangeni) = 100 cents = R1 = £0.583 (UK)
Official languages	English and Siswati
International airport	Matsapha (37 km from Mbabane)

For further information concerning Swaziland, write to

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## SWAZILAND II

On the economic front there is a need for diversification of products and trading outlets

# Dependence on sugar exports causes concern

THE SWAZILAND economy has been having an easy ride in comparison with many other African countries. Although the growth rate for 1977-82 averaged 5 per cent per annum, it was actually uneven and 2 per cent lower than target, but far from disastrous. There is no shortage of international donor aid, which may or may not be connected with the country's delicate geographical position between a Marxist black African state and apartheid South Africa: indeed, the Government has great difficulty in committing an adequate proportion of the aid flow.

On the government revenue side, membership of the Southern African Customs Union means that Swaziland receives 60 per cent of its revenue from Pretoria in quarterly instalments and without the expense of collection. Indeed, the relationship with South Africa is so close that the

Government can console itself with the thought that its autonomy is distinctly limited in monetary and fiscal policy.

The planners in Mbabane are now drawing up the Fourth Plan. It is unlikely to be an epoch-making document—"for foreigners: it will look good on the shelf"—observed one cynical diplomat—but it will probably draw attention to a number of areas where caution and careful judgment will be required.

The balance of payments, for example, is beginning to cause concern, principally because the trade account is on a worsening trend. Imports are remaining buoyant while the country's export pattern has been changing significantly.

As the trade figures show clearly, the disappearance of iron-ore and the rapid decline in asbestos exports have heightened the Swazi dependence on sugar. This dependence on a

single vulnerable product was sharply heightened by the decision to open up the third commercial mill in 1980.

The compensation has been the continuing strength of forest products and the rapid expansion of the local fertiliser industry (which of course has a large import requirement before all its exported product goes to South Africa).

**Overwhelming**

In the meantime, Swaziland may well be a remarkably "open" economy (imports and exports each amount to about two-thirds of GDP) but the trading partner is overwhelmingly South Africa next door. Thus Swaziland is utterly vulnerable to conditions in the republic—it imports South Africa's 14 per cent inflation and of course it cannot escape the South African version of the world recession.

The diversification of products and also of trading outlets might therefore seem an obvious priority, and this is where it is often pointed out that Swaziland has the great good fortune of belonging simultaneously to the Commonwealth, the Southern African Customs Union, the Organisation of African Unity and the Southern African Development Coordination Conference (SADCC), thus giving it access to South Africa, black Africa and (through the Lome Convention) the European Community.

In practice it is hard to see that Swaziland has benefited particularly from this position, except from the European sugar quota and from duty-free access to South Africa. Industrial development has not so far been particularly impressive.

There is no doubt that the duality in the Swaziland system—the coexistence of traditional and modern sectors—is bound to affect the drive to development. The division in the dominant agricultural sector, for example, is almost as sharp as it ever was. The slow progress of the Rural Development Areas Programme illustrates this, though there has recently been a curious relationship emerging between the multi-national and the King's conglomerate Tlalyo Taka Ngweni, which should surely belong more to the traditional sector.

On the external debt side, evidence is emerging of a significant rise in borrowing by the public enterprises in the next few years. The latest figures are understood to show that total external debt was £66m in 1978-79, rose to £156m in 1981-82 and, on the basis of known current and future loan commitments, is likely to rise to £211m in 1985-86. This will raise total debt repayment commitments to £228m in that latter year. But the interesting change is the increase in the debt of the public enterprises from £30m in 1981-82 to £73m in 1985-86 out of the total £211m.

Britain will remain the principal national donor though Germany has been strengthening its involvement. Of the total 1985-86 external debt of £211m, principal donors will be the World Bank (£47m), the African Development Bank (£46m), Britain (£34m), Germany (£30m), the EIB/EDF (£18m) and the U.S. (£14m). Finally, the Government has signalled its concern about two alarming, though seemingly paradoxical, developments on the spending side. As Mr James

VALUE OF MAJOR EXPORT PRODUCTS											
	1978	1979	1980	1981		1978	1979	1980	1981		1981
Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Sugar*	217	27.1	35	22.2	71.0	36	300	128.4	46	327	125.8
Woodpulp	35	16	16	—	28.2	14	—	36.9	13	—	48.4
Asbestos*	38	18.2	11	37	17.6	9	31	15.6	6	32	17.7
Fertiliser	—	6.8	4	—	10.0	5	—	23.7	8	—	36.6
Wood + Wood Products†	230	8.6	5	340	10.6	5	261	12.1	5	361	15.9
Canned Fruit	—	8.2	5	—	9.2	5	—	9.4	—	—	12.7
Citrus Fruit	47	7.2	4	46	9.4	5	40	7.6	2	48	9.2
Coal*	105	2.1	1	165	2.8	1	140	2.7	—	152	3.1
Iron ore*	1,046	6.2	4	957	5.3	3	554	1.9	—	—	—
Other	—	—	15	—	—	17	—	—	16	—	—

\* Metric tons. † Cu. M. ‡ Millions Emalangeni.

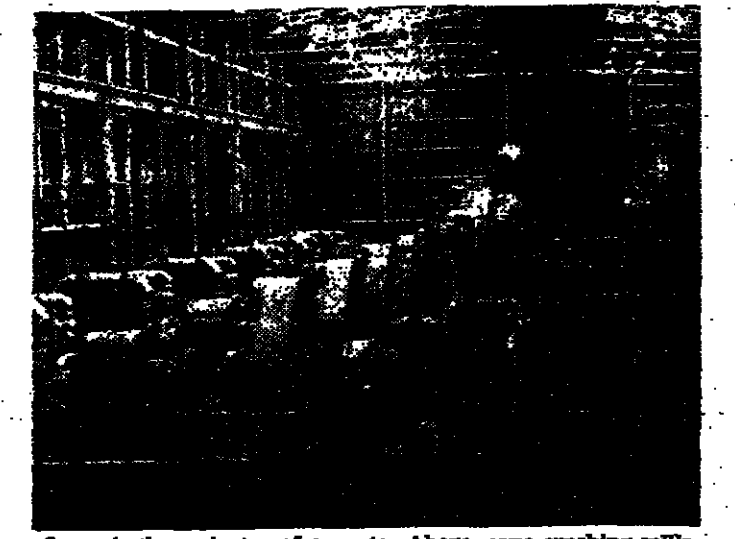
\$ Per cent total value of exports.

Source: Economic Review 1983

## BALANCE OF PAYMENTS

Item	1978	1979	1980	1981
Exports (fob)	169.9	201.9	278.7	330.9
Imports (fob)	199.0	271.5	354.3	361.4
Visible Trade Balance	-29.1	-69.6	-75.6	-30.5
Net Invisibles	-87.3	-75.4	-78.0	-110.0
Goods + Services Balance	-116.4	-145.3	-151.6	-160.5
Transfers	31.7	35.5	56.6	84.5
Capital Account Balance	-84.7	-109.8	-105.0	-106.0
Direct Investment and Other Long Term Capital	54.6	78.1	29.9	28.5
Basic Balance	-30.1	-31.7	-75.1	-77.5
Other Short Term Capital	7.9	12.2	23.7	22.6
Net Errors + Omissions	56.9	34.4	68.2	67.1
Other	-0.5	5.0	2.8	1.7
Overall Balance	17.5	-5.5	24.6	-15.7

Source: Economic Review 1983



Sugar is the mainstay of exports. Above, cane crushing mills at the Simunye complex.

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## Development of infrastructure brings mixed benefits Northern link planned for railway

THE NEXT STAGE in the development of Swaziland's infrastructure has now been clarified. Paradoxically, the kingdom will at the same time reduce its dependence on South Africa (the aim of SADCC, Southern African Development Co-ordination Conference grouping to which Swaziland belongs) and confirm its role as part of the South African-dominated region.

Rail: The original single line of the Swaziland Railways system was built to connect the iron ore mine in the north-west with the Mozambique rail route to the sea. In 1976 a link was completed to the south, to connect with the South African Railways route to Richards Bay

harbour and Durban. The influence of S.A.R. has continued very strong, through South African senior managers and the provision of rolling stock for the Swazi system.

It has now been agreed that the "northern link" is to go ahead, extending the railway directly north from Mpapa towards the South African junction of Komatipoort: about 55km of rail will therefore be laid in Northern Swaziland and the South Africans are to extend their own line south to the border.

The immediate beneficiaries will be the South Africans, who will save 200km by bringing goods from the Eastern Transvaal (e.g. phosphates and per-

haps timber) in transit across low-cost Swaziland to connect with the line to Richards Bay. But the Swazis also have hopes of using the line one day to open up the northern region, with its sugar and its potential coal resources, so there is no great embarrassment about a development which is first and foremost in Pretoria's interest.

### R70m project

Negotiations have not yet been completed for the funding and contracts for this R70m project. Meanwhile, SADCC is planning a £30m project to improve Swaziland's existing line to Mozambique and Maputo.

Air: Ambitious and expensive ideas for building a new airport have been shelved and the existing modest facilities at Mbabane are being improved.

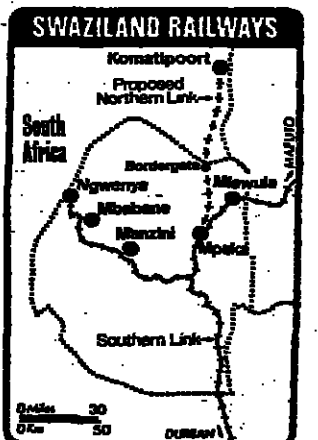
At the same time Royal Swazi National Airways Corporation—which went through difficult times in the late '70s and then had its Fokker F28 shot up in the abortive coup in the Seychelles in November 1981—will take over full responsibility for scheduled air links with the region when South African Airways drops out of the present joint service in May.

Royal Swazi has been using a Boeing 737 but this is being replaced by its repaired Fokker.

Power: Swaziland imports two-thirds of its present electricity requirements from South Africa and it is hard to see how this dependence on the low-cost supply from Escom could be substituted. A hydro-electric project—the Lopholweni scheme, with Wimpey as main contractor—will be

opened at the beginning of 1984 and supply 20MW, thus offering a significant import saving.

Telecommunications: A satellite earth station is being built, which will make Swaziland independent of the South African system. A countrywide automatic telephone network has been finished which gives efficient internal communications and can connect with the South African domestic system.



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## Battle royal

CONTINUED FROM PREVIOUS PAGE

This may distress some Swazis but it would require a dramatic shift in the balance between traditionalists and modernists to bring a shift in attitude sufficient to worry South Africa. In return, South Africa is not ungenerous, and in Swaziland many influential Swazis are aware of it.

### Complex formula

Financially, Swaziland is tightly linked to the South African system. It may have its own currency but it remains a member of the Rand Monetary Area and so need not worry about exchange controls and currency rates. The steady weakening of the rand (and thus the Lilangeni) in recent years has been helpful, and Swaziland has not been impressed by Botswana's experience after leaving the Monetary Area.

Most important of all, Swaziland remains a member of the Southern African Customs Union and this is where she can fairly be described as a hostage to the Republic. The formula is complex, but in crude summary, Swaziland gets its share of customs revenues, generously rounded-up, in addition to 42 per cent to compensate for the agreed fact that so small a country must suffer disadvantages due to its proximity to an economy giant.

The only hiccup in this cosy relationship came last year when the South African Cabinet vetoed adjustments to the customs union formula which had been agreed by its own officials, but the fact remains that the Swazis are not really complaining.

They have the advantage that more than 60 per cent of their government revenues come from the customs union (£120m out of total revenue of £190m in the 1983-84 budget), and the system also has the advantage that the Treasury knows in

advance what it is going to receive (and cash flow is helped by the way the revenues are paid in advance in quarterly instalments).

These are figures, like it or not, that have the clout to impose policies. There have been studies on "reducing dependence" but they have not carried great credence in Swaziland itself. The South Africans know it, and they are also aware that the system is flexible: for example, 1982-83 brought a dramatically generous increase in customs union revenue thanks to the discovery of certain errors and omissions. It may or may not have been coincidental that Pretoria was negotiating the land transfer at the time.

### Miscalculation

Still, there is a limit to Swaziland's friendly neighbourship, as the South Africans have discovered. When the Government of Mr P. W. Botha was trying to launch a "constellation of states" in Southern Africa, Pretoria apparently hoped that Swaziland might be persuaded to join and thus get the plan off the drawing board. It was an over-optimistic miscalculation, and Pretoria is now discovering the same with its plans to tempt Swaziland into the new Regional Development Bank.

The Swazis have seen through the stratagem. They see that they are being asked to join an organisation which will also include the ethnic homelands like the Transkei, and so help legitimise them. For many reasons, ranging from membership of the OAU, the UN and SADCC, through to the clear guidance of King Sobhuza's own policy on the matter, they are not going to co-operate, and it would take an unconceivably extreme shift in government in Swaziland to alter that fact of Southern African life.

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## SWAZILAND III



Irrigating the sugar cane crop, part of the \$70m Simunye sugar project. Such projects are expected to create many jobs in the originally forecast

## Competition sharpens for industrial jobs Battle over incentives

BETWEEN 1977 and 1982, it is calculated, 100,000 young Swazis came to the country for a job in what is called the "informal sector". In that sector, it is estimated, an average 2,000 jobs were created. The fact that the large majority of these jobs were in the rural areas, the "informal" urban areas, unemployment or South Africa, where the traditional mines have been reduced in recent years.

This—the "job gap"—is one of the principal problems of the Swaziland authorities. The population is growing at an alarming 3.4 per cent per year. The agricultural projects are not creating as much employment as might be hoped or intended. The answer, surely, must be the attraction of industry.

But this is a problem, and a challenge, common throughout the Southern African region. There is scarcely a government south of the equator which does not have industrial development programmes to tempt the international investor to set up his factories.

The snag, as Swazis openly admit, is that they are in danger of being out-gunned. They have a well-established programme of incentives, but the fact is that these incentives have, on the face of it, been exceeded by the incentives offered by the South African Government under its decentralisation programme, which focuses on its so-called independent towns, such as Transkei or Bophuthatwana.

Last year these South African incentives were substantially increased and linked to a new system of growth areas under developed areas like the "Gibber" can now offer such things as a cash rebate of no less than 95 per cent of a new industrialist's wage bill.

### Advantage

Swaziland knows it cannot compete with this. But it has an enormous and unmatched advantage over the South African Bantustans whose independence is not acknowledged anywhere in the world. As a sovereign nation, by accident of history it has the best of three worlds—it is a member of the Southern African Customs Union, as a Commonwealth member it has access to Europe under the Lomé Convention; and, of course, as an independent African state, it has access to "black" Africa. Or rather, it has that advantage in theory. What does that mean in practice?

The statutory body whose task is to promote industrial investment is called the National Industrial Development Corporation of Swaziland (NIDCS): it is the counterpart of other Southern African organisations such as the Xhosa Development Corporation or, in Pretoria, the Corporation for Economic Development. Indeed, it is in the same business as the forthcoming Development Bank for Southern Africa.

The incentives offered include tax and depreciation

allowances of the usual sort: the main industrial estate is at Matsapha, near the airport, between Manzini and Mbabane; the list of enterprises covers the usual range: bakeries, clothing, cement pipes, beer, tools, YKK zippers, a glumery, crafts, etc. Officials reckon they have set up 42 projects and, as of April 1982, an investment of R27m-30m. Say, 4,000 jobs created by the end of 1982.

The complication in Swaziland is that the NIDCS is not alone in the field. There is another, and extremely important, organisation: Tibiyo Taka Ngwane—which gives the

strong impression of making the running to Swazi development.

Tibiyo owes its particular influence and strength not just to what used to be its inside track with the King but to its role as conduit and employer of the assets of the Swazi Nation, relating in particular to the land and starting off with the minerals royalties.

Perhaps, not surprisingly, Tibiyo is not content of its own. It is the fact that, though both try to deny it—and, one suspects, an inevitable degree of overlap. Today the initiative seems to be with Tibiyo, under its forceful managing director (and ex-Commerce and Industry Minister), Dr Sishayi Nxumalo.

It is Tibiyo which has been used to taking large holdings in Swaziland's leading enterprises, almost invariably to be paid for out of dividends, and again and again one hears that Tibiyo—rather than NIDCS—is the motor of Swazi development.

"Tibiyo gets things done," one hears from all sorts of people in Mbabane.

According to the 1980 industrial census, six establishments (two sugar mills, two saw mills, a pulp mill and a fruit canning factory) predominated, accounting for 98 per cent of manufacturing value added and 45 per cent of the employment (1982 Economic Review).

None of this suggests that Swaziland has as yet made much impact with its claims of having a unique access to the Republic, black Africa, and Europe. In practice the more interesting possibilities of industrial development appear to refer to proximity and unimpeded access (thanks to the Customs Union) to South Africa.

The best example so far is Swaziland Chemical Industries, whose exports of fertilisers to the Republic have shown up strongly on the balance of payments (exports rose from R2.6m in 1978 to R26.6m in

1981, representing 11 per cent of total exports), and giving the company a net added value of R215m on the original import costs.

There was considerable opposition inside the South African Republic to the plan to set up inside Swaziland a fertiliser producer with the raison d'être of exporting to the Republic, but it was possible to argue this as a test case of whether or not the junior members of the Customs Union were to be allowed a fair share of industrial development.

Ironically, the drought and recession in South Africa have plunged the regional fertiliser industry into crisis. The downturn became apparent rather less than a year ago, and it was announced earlier this month that 180 of the 430 workers at the Swaziland Chemical Industries plant were to be retrenched.

Other projects in Swaziland tend to fall into two categories—exporting the South African market (eg a television assembly operation) or agro-industry (which can range from plans for vegetable processing, a tannery, or milling through to ceramic or London Brick's proposed brick project) on Swazi Nation Land.

Somewhere between the two comes the Beral investment from Germany which manufactures brake linings and relates to the country's asbestos output. But it has to be added that Swaziland's proclaimed and unique access to both white and black Africa and to Europe has not yet borne full fruit.

The role of the mining sector in Swaziland's economy, which once seemed to offer good prospects, has declined dramatically. In the words of the latest Economic Review—"the closure of the iron ore mine (in the north-west) in 1977 was a major contributing factor, as was the failure to open the new coal mine envisaged in the Third Plan. Production from the asbestos mine has decreased in the period 1977-81 and production from the one coal mine has increased only slightly." Export of asbestos from iron ore ceased in 1980.

The difficulties of Havelock Asbestos Mines, in the mountains beyond Piggs Peak in the north-east, show up clearly in the national statistics, falling from 11 per cent of export earnings in 1978 to 6 per cent in 1981 with a further decline in 1982.

It is believed that Turner and Newall, who share ownership 50-50 with Tibiyo Taka Ngwane, will pull out when the concession expires in 1984. Substantial new investment would be needed to open up further reserves of asbestos (which at present is transported by a 20 km-rope-way over the nearby border into South Africa).

It has often been claimed that Swaziland possesses considerable mineral deposits, but with the possible exception of coal—Shell has been interested in deposits in the north—there is little sign of significant development prospects.

The man behind all this is the 47-year-old Dr Sishayi Nxumalo—former Johannesburg mineworker, educationist, politician (10 years a Cabinet minister), special envoy of King Sobhuza and one of the kingdom's leading personalities. He talks of himself as "the first employee of Tibiyo".

He sees Tibiyo as a catalyst for development in Swaziland and while agreeing that its main role lies in agro-industries—"we are based in the soil"—he is not prepared to hold back from more specifically industrial projects which would seem to fall more under the NIDCS (which he set up himself when he was minister).

Dr Nxumalo rejects the frequently heard criticism that Tibiyo's combination of energy and autonomy lead to a danger of overlapping, and

talks of the organisation as developing a national function something akin to the Jewish Defence Fund or even the CDC (Commonwealth Development Corporation) (enemies of Tibiyo sometimes compare it, unfairly, with Press Holdings in Malawi). "This is the Swazi way of doing things," says Dr Nxumalo. Tibiyo, however, should never be considered a conventional commercial organisation. As the annual report states: "Tibiyo Taka Ngwane utilises a portion of its income for (a) the promotion of the health, welfare education and housing of the Swazi people; (b) the general maintenance and administration of the traditional institutions of the Swazi people; (c) generally, any other purpose the Ngunwenama considers to be the responsibility of the Swazi people or which will further their interests."

## Swazi Pine finds the right niche

INDUSTRIAL development in Swaziland can sound pretty small beer to the multinational executive, but that does not mean there are no local success stories. Take Swazi Pine Industries, for instance, one of the favourites of the NIDCS.

In 1978, according to Mr Mahod Rankolowan, general manager, the National Savings and Finance Corporation (from South Africa) took over "just a small furniture workshop" in the Matsapha industrial state near Manzini. Today that company is exporting all the knock-down pine furniture it can produce to markets in Britain, Europe and Australia—Tesco and Fine Fare, for example, take "breakfast nooks" in Swazi pine, and the U.S. market is the next target.

### Exports rise

Turnover figures are not available, but export volumes have shot up from two to 24 containers a month, and the payroll has risen from 75 to 250. About R2m is invested in plant and machinery.

The NIDCS role was principally to provide the extensions to the premises on the estate. The other incentives available were in this case not particularly important according to management, especially as the company had inherited tax losses from the previous management which would take years to work off against profits.

Part of the secret has been to keep the product range small: shelving, dining sets, chairs. To broaden the range would mean adding extra production lines and tie up too much capital, so only now is the company going into turned items such as stools.

Because of the simplicity of the range the bulk of the labour force is only semi-skilled—"we're using unskilled labour to do the job of a machine," says Mr Rankolowan—and the economics of his operation must owe a lot to the wages he is able to pay: R110 a month at the lowest rate, which compares favourably with the rate next door in South Africa though a sharp rise on the E88 a month that was acceptable in 1978.

The content, of course, is local, from the Swazi forests, which is another reason why Mr Rankolowan is not interested in the decline of his colleagues are rumoured to be) in moving back to South African home lands where the industrial incentives are now so dramatically more generous than Swaziland can afford to offer.

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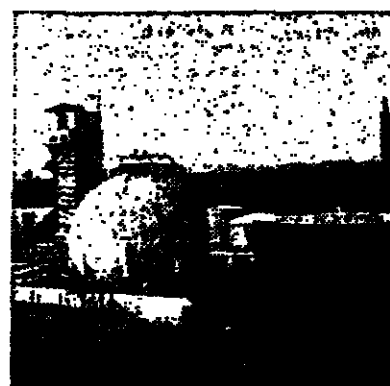
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## Mining sector falls out of favour

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### Profile of Tibiyo Taka Ngwane

## Role seen as a catalyst for development

Tibiyo Taka Ngwane has his headquarters next to the royal residence at Lentshe. His situation—and its distance from the commercial centre of Mbabane—is appropriate.

It is not a company but an institution set up by royal charter in 1968, initially to handle the mineral royalties which were "held" by the Ngunwenama (the King) in trust for the Swazi nation. From this there has grown a conglomerate which dominates Swaziland's agricultural and increasingly industrial development, although it is not part of the Government proper and its relationship with that Government is often mysterious.

The beginnings were modest until it was able to negotiate shareholdings (to be paid for out of dividends) with Havelock Asbestos and then Lousha. Boosted by good sugar profits, Tibiyo was able to build up its role in various

other existing commercial companies throughout the country and also to press forward with buying back the land on behalf of the Swazi nation which was one of King Sobhuza's principal concerns. The mineral royalties were then transferred to another Swazi national institution, Tsimba Taka Ngwane.

The Tibiyo balance sheet for 1981 shows assets employed of R24.8m, with income of R18.6m. The list of Tibiyo holdings tells its own story: Havelock Mines (40 per cent); Umbeloh Ranches (40 per cent); Swazi Spas Holdings (40 per cent); Mhume Swazi Sugar (50 per cent); Roberts Construction (50 per cent); Royal Swazi National Airways (50 per cent); Simunye Sugar Corporation (50 per cent); BQX (40 per cent); Swaziland Breweries (40 per cent); Swaziland Meat Corporation (50 per cent) and a host of others, many of them 100 per cent.

The man behind all this is the 47-year-old Dr Sishayi Nxumalo—former Johannesburg mineworker, educationist, politician (10 years a Cabinet minister), special envoy of King Sobhuza and one of the kingdom's leading personalities. He talks of himself as "the first employee of Tibiyo".

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## SWAZILAND IV

Problems of duality of land tenure

## Drought brings major threat to agriculture

SWAZILAND IS, and always will be, an agricultural economy. But that economy is a dual one, which relates directly to the duality of the land tenure system. About 44 per cent of the rural land lies in the "modern" sector—known as the Individual Tenure Farms and the remainder is owned by the King in trust for the Swazi Nation—the Swazi Nation area. The former—the commercially-operated and largely foreign-owned commercial farms—amount to the country's principal economic engine room. According to official statistics, estate agriculture (and forestry) in 1981 accounted for 65 per cent of the country's foreign exchange earnings, 42 per cent of private sector employment and 18 per cent of GDP.

The very different achievement of these two sectors in recent years has had a host of problems. As the 1983 Economic Review explains, between 1978 and 1981 "the modern sector experienced an average growth rate of 12.9 per cent, but crop production in Swazi Nation Land increased by only 0.36 per cent per annum..."

The consequence of these recent years in the modern sector has been a dramatically (and dangerously) increased dependence on sugar, which was pioneered in Swaziland in the late 1950s. Production rose from 1.99m tons of cane in 1978 to 3.25m tons in 1982.

Put in export terms, sugar shows a sharply increased value (from E60m in 1978 to E126m in 1981) compared with a rise from canned fruit from E8m to E13m.

This dependence of Swaziland on sugar was perhaps inevitable after the decision to go ahead with the Simunye sugar project of the Royal Swazi Sugar Corporation, which was opened in 1980 with financing from a dozen sources. This brought local capacity to about 400,000 tonnes.

According to the Swaziland Sugar Association, the 1982-83 crop, just completed, will total 379,000 tonnes, made up of 138,000 tonnes from the Mhlume mill, 131,000 tonnes from Uhombo, and 110,000 tonnes from Simunye, which is now fully on stream. This total compares with 349,000 tonnes in 1981-82.

The problem, of course in these days of depressed sugar prices, is to find the markets. Swaziland relies on the following formula:

120,000 tonnes to the EEC (the last guaranteed price worked out at E263.73 per tonne); About 20,000 tonnes local consumption;

About 55,000 tonnes will be sold by Tate and Lyle, who are required to assure a market for 50 per cent of the Simunye output up to the first 500,000 tonnes of production. This is sold under a special formula at a price midway between the EEC and world market levels. About 40,000 tonnes on the present U.S. quota system. The rest has to be placed via brokers on the world market.

## Impact

The world price has its impact not only on the export earnings and the balance of payments but also on government revenue account, thanks to the Sugar Export Levy, under which the Government, after consultation, sets a basic price representing the cost of Swazi production for the season ahead. Government then takes a 50 per cent levy on the amount by which that average price exceeded the base last year. Last year the base price was set at E330 a tonne. This year the average price received is certain to be well below E330, and the Government has budgeted for a nil revenue from the Levy.

Elsewhere in the commercial sector, timber has been doing well (and now accounts for about 20 per cent of export earnings) as have citrus and pineapples, though the latter are threatened by the current drought. The Government decision to ban imports of fruit and vegetables (that is from South Africa) as part of a debatable campaign against cholera is supposed to have the side-effect of pushing up local production.

The drought is now a major threat—as it is throughout the region. Even on the irrigated projects, the reduced water flow (for example the Komati River is reported by the Commonwealth Development Corporation to be reduced to 5-10 per cent of normal at this time of year—and the dry season has not yet even started) is going to have a serious impact.

Latest estimates suggest that this year's maize crop will be 30,000-40,000 tons compared with over 100,000 tons-capacity in normal times. This catastrophic percentage fall in the harvest may be compared with the parallel experience in neighbouring South Africa and Zimbabwe.

In Swaziland's case, the shortfall must be explained not only by the drought but by the delay in planting that was imposed as part of the mourning for the King last year.

The other side of this coin is the sharp increase in imports of maize and also wheat which worries the planners. Maize imports in 1981 are officially cal-

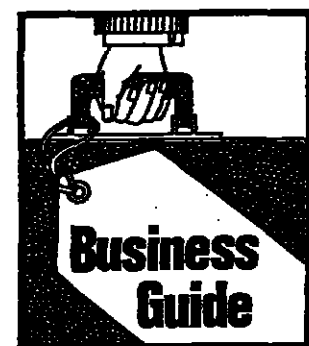
culated to have risen to 45,000 tons—a threefold increase on the early Seventies—while imports of wheat (a sure sign in Africa of an improved standard of living and consumer expectations) rose from zero to 13,000 tons.

In the words of the 1983 Economic Review, "in 1981 the value of food imports rose by 44.4 per cent and thus the fall in food self-sufficiency began to undermine Swaziland's traditional net export position."

It is the lack of diversification in the food export mix and the absence of high-value production in traditional agriculture that is giving rise to this problem. The Review goes on to argue "a critical need to broaden the food production base of the country."

The problem, therefore, is traced back by the experts to the traditional sector—the Swazi Nation Land—where every married Swazi man is allocated land by the local chief and can reckon on having it for life as long as someone (not necessarily himself) is in occupation. It does not sound a particularly efficient system in terms of agricultural efficiency, as opposed to sociological satisfaction, and much of the effort of the Third Plan was dedicated to the Rural Development Areas Programme (RDAP) which by the end of the plan period covered 50 per cent of Swazi Nation Land and 47 per cent of the rural population.

The RDAP has not proved a success. Production has fallen below all targets. Above all there has been a problem of implementation, and the reasons are now being debated.



● You must have a cholera inoculation. Swaziland is one of the very few countries which insist on a valid cholera certificate.

● Visas are not required of nationals of Britain, the Commonwealth, South Africa, the U.S. and certain European countries, but some nationalities (e.g. France and Germany) will have to get a visa through Swazi or British consular offices. South African Airways is about to terminate its service to Swaziland's Matsapa airport, situated between Mbabane and Manzini. The most convenient method of arrival will continue to be via Royal Swazi National Airways, which operates services to Johannesburg, Durban, Harare, Lusaka, Nairobi and Malawi. Many visitors from South Africa will come by road—a rather boring drive, 400 km from Johannesburg. Petrol restrictions are less strict than in the Republic.

● The local currency, the Emalangeni, is at parity with the South African Rand and both currencies are interchangeable inside Swaziland. There are no exchange control restrictions between the Republic and the Kingdom.

● The life-style is more casual than in South Africa, and businessmen tend to dress less formal—safari suits are acceptable except at senior levels. The climate is noticeably warmer and gentler than that of the Transvaal. There is a professional tourist industry with good hotels and casino facilities. Of course, apartheid does not exist.

● A good introduction is J. S. M. Mathebula's "A History of Swaziland," available locally in paperback. Hilda Kuper is the author of the definitive biography of the late King—Sobhuza II. Ngwenyama and King of Swaziland.

● Visiting businessmen must decide whether to stay in the main town Mbabane (e.g. in the Swazi Inn on the outskirts) or 20 minutes "down the hill" in the tourist complex in the beautiful Ezulwini Valley.

## AGRICULTURE AND FORESTRY

Crop	Tenure	Production in '000 tons of harvested crops			
		1978	1979	1980	1981
Maize	ITF	8.9	6.5	96.7	8.0†
	SNL	96.3	74.0	103.3	93.7
	Total	105.2	80.5	200.0	101.7
Rice*	ITF	3.7	3.7	—	—
	SNL	—	—	—	—
	Total	3.7	3.7	—	—
Sugar Cane*	ITF	1,992.3	2,242.4	2,423.6	2,782.3
	SNL	—	—	—	—
	Total	1,992.3	2,242.4	2,423.6	2,782.3
Citrus Fruit	ITF	64.1	64.7	59.5	66.0
	SNL	—	—	—	—
	Total	64.1	64.7	59.5	66.0
Pineapples*	ITF	23.4	29.9	27.6	29.3
	SNL	—	—	—	—
	Total	23.4	29.9	27.6	29.3
Cotton (raw)	ITF	18.4	6.5	9.2	10.8
	SNL	11.9	9.8	14.0	14.3
	Total	30.3	16.3	23.2	25.1

\* Data from SNL is included under ITF.

† Estimated.

ITF: Individual Tenure Farms.

SNL: Swazi Nation Land.

Source: Central Statistical Office/Economic Review 1983

## Accord on CDC proposals

THE Commonwealth Development Corporation (CDC) has always been big in Swaziland but the emphasis of its policy in recent years has been to hand back to the Swazis some of its principal projects. That policy has been a success.

But, in the words of the regional controller Mr A. van der Merwe, "the CDC feels that for an expatriate organisation in the mid-80s to own a substantial slice of agricultural land and farm it for professional purposes is not what the CDC is about."

So, starting in the mid-70s, negotiations were started with the Swazis with a view to local participation. The first result was that Tibiyo Taka Ngwane, nominated by the King to represent the nation, acquired 50 per cent in the Mhlume Sugar Company. Next, a 50/50 partnership was agreed for the Swaziland Irrigation System: as part of that deal the CDC returned its freehold title to the King and took a lease for its operation. Man-

agement stays with the CDC. Tibiyo pays for its shareholding out of dividends.

Thirdly, Tibiyo took over in toto the Vumbane Irrigated Farms, which was a CDC settlement scheme in which 263 smallholders grow principally sugar (under irrigation) on farms of less than 10 hectares. The experiment of this small holding experiment has been particularly relevant in the debate about Swazi traditional land tenure.

This by no means exhausts the CDC operation in Swaziland. The corporation holds 50 per cent in the giant Tlozi Farm Company, with Court-aids and Tibiyo, where negotiations for a 100 per cent takeover by the Anglo American Corporation's Mondri recently collapsed.

Then there is a small stake in the ambitious new (and less-making) Simunye sugar estate, a forestry company, various loan commitments, and an agricultural college which attracts students from various Third World countries.

## A shot in the arm the tourists don't need

TEN YEARS ago Swaziland had a winning formula for its tourist industry. It was a beautiful country, four hours drive from the wealthy metropolitan market of Johannesburg. It had good, efficient hotels with friendly service, a world-class golf course, and a warm and pleasant climate.

And, for South Africans, it had the pleasures forbidden them by their own puritanical government—gambling, soft-core pornography, "banned books," and the possibility (though perhaps the achievement was not so frequent as was claimed) of multi-racial sex.

The trouble was that the formula could be used elsewhere—not just in Swaziland's sovereign colleagues, Lesotho and Botswana, but in the "independent" ethnic homelands that the South African Government was setting up just inside the frontiers of the Republic proper, and which were therefore closer to the market. Bophuthatswana, Transkei, Venda, saw their chance: the ultimate example was to be Sun City, a couple of hours east of the Reef and just inside Bophuthatswana, where Southern Sun (controlled by South African Breweries) built a giant operation based on gambling, golf, entertainment, and a disregard for puritanical values.

Swaziland was badly hit. By the start of the 1980s it was struggling, and then made things worse by announcing that all visitors would have to have valid cholera inoculations. The precise motives for this, and their validity, continue to be debated in Mbabane, but no-one doubts the damage.

As hoteliers explain, the full-rate holiday tourist is fickle at the best of times: is it really worth the bother, and then two days with a stiff arm, if all he is thinking of is a quick and spontaneous holiday in the Swazi hills?

These problems are illustrated in the records of Swazi Spa Holdings (controlled by the Rennie group, and so eventually by Jardine Matheson), which dominates the Swaziland tourist industry through its 1,000-acre complex in the Ezulwini Valley, east of Mbabane. It has three hotels: the upmarket Royal Swazi Hotel and Spa, built in

1965 with 145 beds, and the Lagogo and Ezulwini Hotels Inns, built in 1969 and 1974 with 202 and 120 rooms respectively.

According to Mr Gerald Sadler, Swazi Spa Holdings managing director, 1979 showed 71 per cent occupancy of the 468 total rooms. Sun City opened that December. In 1980 occupancy was down to 65 per cent, and in September cholera controls came in. 1981 was down to 61 per cent.

Government statistics, which cover the whole of the industry, tell a similar tale, with arriving visitors falling from 139,000 in 1975 to 82,000 in 1981. In that same time-span South African visitors declined from 83,000 to 45,000.

## Trumped

It seemed to be time to change the formula, or perhaps to reconsider the Swazi tourist "image." It could not be denied that Swaziland had been trumped in the competition for the South African who wanted a flutter on the tables or the fruit machines, and could combine that with a one-night stay taking in Frank Sinatra or some such international entertainer. These are still early days, but the revised formula looks like bringing together the following elements:

● There is a fundamental switch of emphasis from full-rate individual visitors to group business, even though that entails discounting the rates. Hence the opening last month of a R3m 600-capacity conference centre by Swaziland Spa.

● The conventions are needed in mid-week. At the weekend, "group business" means bringing down the sportsmen and the gamblers. "Sports

business is very recession-proof," says Mr Sadler.

● As for the casino, let Sun City take the bulk of the Las Vegas fun trade, where your average punter drops only R25-50. Swaziland is more interested in the true gambler, and will pay his expenses to bring him down from Johannesburg.

● As for image, well, yes, Swaziland is going to leave the raunchier market to Lesotho.

The new image, as promoted by the advertisements, will be a mosaic of roulette table, golf course and conference room, all set against Swaziland's splendid and healthy mountains.

Will it work—in good times let alone in the present recession? There is always a solid commercial traffic of course, which will help justify some of the new hotel projects outside the Ezulwini Valley and Mbabane, but the answer will depend in part on Swaziland's success in attracting the non-South African tourist. The problem is that Swaziland, however delightful, is unlikely to be able to attract international long-haul visitors purely on its own claims. Some of the other African states have been working on the same problem: to compete with the mighty Kenya and South Africa, the answer may have to be to promote tours which fit together the principal attractions of a sequel of smaller states. For example, Zimbabwe has Victoria Falls, Botswana has good game, Mozambique has the ocean, Malawi has the Lake, Lesotho has mountains. Swaziland has a rich and colourful traditional society as well as good scenery. It would help, of course, if the cholera jab could be forgotten...

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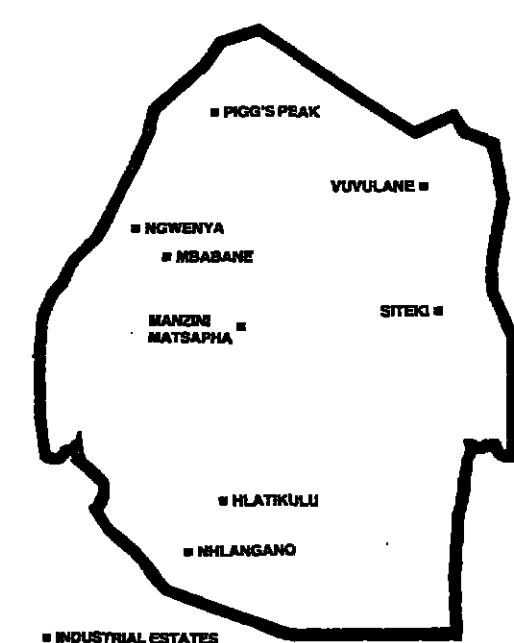
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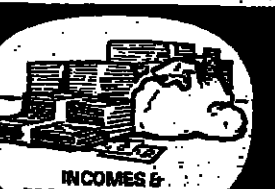
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## THE ARTS

## Commedia/Lyric, Hammersmith

Michael Coveney

Elena is a Glaswegian widow presiding over a family gathering at Hogmanay. She is also of Italian stock and her two sons with their respective women complete a most unusual tapestry of domestic communion in Marcella Evaristi's sparkling play at the Lyric Hammersmith Studio.

The main point at issue is Elena's future and the prospects for her infatuation with a politically active teacher from Bologna. She is 52, attractive, available to the whims of her sons, especially the brutally etched up and coming actor Stefano. Stefano's girlfriend is a sensitive American who becomes, in the course of the action, a soul-mate to Elena. The elder son, Cesare, is a failed writer who has been writing about his exploitation of his origins on TV commercials, while Cesare's wife, Gianna, presents a dour and doleful face to the shifting tensions around the sacrificial white table cloth.

It would be too facile to proceed any further in boiling down the play's elements to what happens next. The writing is unforced and jagged, in narrative terms and allows for some really outstanding set pieces in Michael Boy's simple, stark but ingenious production set on an arrangement of black tiles designed by Roger Glover. It is a little of Fellini's Neapolitan comedies, but it has a voice and distinct purpose of its own. The characters are

seen in sharp relief against a black limbo as we swing from Glaswegian family ritual to an hotel bedroom in Bologna where Elena is ensnared at last with her besotted Davide.

We receive a severe jolt on learning that Cesare, who has gone to the station to stare at the trains, is a victim of the 1980 bomb outrage. But that is precisely how such events impinge on the interwoven world of family tensions and disputes. The sons and lovers have followed the couple to the Hotel Belvedere to make sure that Cesare's bid for his rights is secure, the play has moved a long way from making him sound sympathetic. Elena's good name comes into it, too, of course, but as Michael O'Neill plays her, a raven-haired beauty enmeshed in an exquisite and unexpected passion, the son is exposed as the selfish pig that he is, but as Michael O'Neill plays her, a raven-haired beauty enmeshed in an exquisite and unexpected passion, the son is exposed as the selfish pig that he is, but as Michael O'Neill plays her, a raven-haired beauty enmeshed in an exquisite and unexpected passion, the son is exposed as the selfish pig that he is.

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Anita Dobson, Griff Rhys Jones and Briony McRobert

## Charley's Aunt comes to town

Brandon Thomas's robust Victorian farce, *Charley's Aunt*, has opened at the Aldwych Theatre after its successful run at the Lyric Hammersmith, where it was enthusiastically reviewed by Michael Coveney in February. The star of a hand-

some production is Griff Rhys Jones as Fancourt Babberley, the Oxford undergraduate who takes to transvestite disguise with a masculine and truly inventive relish.

The revival correctly treats

the farce as a period piece and Rhys Jones, it was suggested here, "breeds across the stage like Margaret Rutherford on speed, a prophetic and truly convincing collapse."

## Wozzeck/Theatre Royal, Glasgow

Rodney Milnes

David Alden's production of *Wozzeck* for Scottish Opera, first staged at the 1980 Edinburgh Festival, is now to be seen as part of the company's Glasgow subscription season. It is sung in a serviceable and unexciting English, with obvious gains in communication. I still find Mr Alden's approach wholly misguided, indeed pointless: the work is played at so high a volume of expressionist hysteria as to make *Dr Caligari* look like *The Importance of Being Earnest*, and there is no question of the audience being allowed to respond to the action at a thinking level. It is simply a bludgeoned into submission, especially in a ludicrous new final scene set in a morgue. I don't believe that this is what Berg's opera or theatre in general is for.

That said, one can only admire how David Fielding's design team has managed to allow the action to unfold smoothly without intervals (an

interval would bring Mr Alden's water-thin structure of sensation tumbling ignominiously about his ears) and the wholehearted devotion with which the excellent cast—many of them returning to their Edinburgh roles—executes the production. In Benjamin Luxon's lurching Wozzeck and Elise Ross's recklessly slatternly Marie there are glimpses of how magnificent they could be in a proper production. Francis Egerton's Captain is happily producer-proof, but Rodney Kennedy's potentially superb Doctor is all but submerged in silliness. The new Drum Major, William Lewis, is a monument to headless machismo, and Jan Croome's warty like produces the right friction. Sadly, the company is so busy being struck all of a heap that musical values are somewhat compromised.

But not, mercifully, in the pit, where Simon Rattle is conducting his first Wozzeck and the comparatively new Scottish Opera Orchestra is playing the

score for the first time. The results are stunning. The Theatre Royal pit, deeply recessed under the stage, is always an aid to internal balance: here it tamed the brass without disarming it, and the sound was properly strident. Clarity of texture was the chief technical triumph of Mr Rattle's rehearsal, clarity plus context: in the warmth of the string tone and the pliancy of the phrasing one was constantly reminded that Wozzeck is above all a Viennese score. In addition to cool precision, Mr Rattle brought fierce compassion and understanding to his conducting—qualities singularly lacking on stage—without ever once allowing a whiff of sentiment to creep in. Spiritually, as well as technically, the balance was perfect.

There are further performances this evening (Thursday) and on Saturday afternoon. For the music alone, anyone within reach should hurry to the Theatre Royal.

## Cosi fan tutte/Aylesbury

Max Loppert

To the Aylesbury Civic Centre, to catch up with Opera 90 on a spring tour now only 10 days from completion. The new production of *Così fan tutte* for the tour by Stewart Trotter in the designs of Tim Reed has already received much praise, and deserves every syllable of it. The first time I saw it, I was struck by the change of location and accents is not "necessary," but it is successful, delightful, and at times illuminating. The formal patterns of the opera take on, under Japanese stylisation, a delicate new pattern, the highly formalised structures, altered and expanded by emotional adventure, are lit from subtly intriguing new angles.

Once or twice, the exercise verges on affectation; and perhaps the most disturbing use of the currents of Act II elude such a presentation (cut removing Ferrando's and Dorabella's arias

inevitably affect its completeness). But on its own terms, and with a new translation (by David Parry, also conductor of the admirable small orchestra) closely worked into the dramatic impression, this seems to me a brilliant achievement anybody who through it encounters the opera for the first time has made a fortunate start. The cast of six is by now an effortless ensemble; only one of its members, the soprano of Bronwen Mills, a soprano of light, excellently adjusted technique and quite remarkable finesse of statements, makes a distinctive impact upon the music beyond the immediate requirements of the show, but there are no weak links elsewhere. The company, with Fiedermus also in repertoire proceeds to Swindon, Street, and Barnstable.

They began with Purcell, in which Miss Hendricks sounded sincere, careful and pretty. The voice is true and fresh, with

## Louisville Festival/Michael Coveney

## Hothouse of wilting blooms

The seventh annual new American plays festival took place in Louisville, Kentucky, over the last weekend of March. On entering this peculiar three-day hothouse for the first time, surrounded by old-fashioned buildings, I was struck by the Starving Artist bar of the Actors Theatre, my impressions were decidedly mixed.

First of all, Jon Jory's organization of the event is almost too good to be true. There were 10 presentations divided between the large and congenial Fausela Brown auditorium and the upstairs Victor Jory studio, with one disastrously banal spectacle set on garbage dump out of town in a warehouse. The standard of acting is very high, the ingenuity of Paul Owen's designs for all the shows beyond question. And yet one has to say that it was all a bit like seeing a concentrated programme of mediocre Bush Theatre plays, most of them in direct need of editorial attention.

Nor do I share the general feeling that the heartbeat of new American drama lies here. Admittedly the festival has in the past sent plays to New York and around the world (Agnès of God and Extremities The Glimmer and Getting Out were all premiered here). Perhaps I picked a bad year, but I saw no evidence of new talent to rival the continuing fascination of such contemporary American playwrights as Sam Shepard, Michael Weller or Thomas Babe.

One of the biggest fund-raising machines in the world, Humana Inc, based in Louisville, is behind the enterprise and it says a lot for Mr Jory that he has convinced Humana of the inherent attraction of supporting new playwrights. But there is a worrying dislocation between the cultivated prestige of the festival, the coverage and sympathy it attracts, and the actual quality of the material on show.

The *Agnès of God* author, John Peimer, for instance, came up this year with a really too-curling monologue for an actor impersonating J. M. Barrie that seemed not in my savage opinion to any one-man show that falls back on the lecture and glass of water mode of presentation. The *Extremities* author William Mastrosimone revealed little sign of development in a young girl and a tramp she picks up on the street and brings home to engage in surreal confrontation. This piece shared a double bill with a more interesting piece by

Jeffrey Sweet, *The Value of Names*, in which an actress daughter was caught in the emotional crossfire between her father and an old colleague of his whose friendship was wrecked by the McCarthy witch-hunt.

I expected more, too, from James McLure, whose work has been seen to advantage at the Bush and who offered, in *Thelma*, a cliché comedy centred on a boozy New Jersey weekend party of disintegrating relationships freezing finally into an apocalyptic jelly of worried breast-beating about the role of women and the dangers of the nuclear holocaust. Mr McLure is a sharp and witty writer, but his play set the predominant and dispiriting tone of menapausal angst among the rootless, middle-class professional generation.

The other social spectrum was the redneck, rough-tongued world of garbage collectors, small time dope peddlers and disenfranchised citizens doomed to a life of claustrophobic dis-

while everyone else discussed squatters' rights on the dump and (naturally) the threat of methane and other dangers of industrial waste. This litany of fear was plastered on to the play's final hilarious moments which featured the spirit of garbage, an Indian called Running Joke (sic), having his stomach blasted to a pulp of strawberry jam.

No expense had been spared on *Food From Trash*. The design was the most spectacular example of industrial waste anyone could devise; two Lincoln Continentals, a fully-equipped garbage truck (all three driven on and off at high speed), a dining area, an eye-level residential location, tons of rubbish and an office. The unionisation of the garbage collectors was hopelessly confused with hysterical domestic bawling and thumping political epilogue.

A better bet would have been to lavish more production care on *Sand Castles* by Adele Edling Shank, an ordinary dramatic poem set on a Californian beach that was poorly directed and badly lit. No inest in this one, though a girl did pimp for her street-walking mother, and an old hippie leaped about the place like a truly horrendous TV character in *The Value of Names* or a deft two-hander by Kent Broadhurst, *The Habitual Acceptance of the Near Enough*, but both had painters in the cast. Mr Broadhurst constructed a good dialogue on the commerce of art.

So: I enjoyed *Eden Court* most of all, but my tip for future success goes to Kathleen Tolan for *A Weekend Near Madison*, too rambling in its later stages, but a high quality piece that elicited interest in, and sympathy for, five major characters, no mean achievement. The central problem was how a lesbian couple could become parents, and this theme was treated with both sensitivity and humour.

The festival was lacking in large-scale ambition, political nous, social satire. I wonder if Humana Incorporated themselves might not be in line for a dose of the letter—they also sponsor a truly horrendous TV programme in which donations are invited for crippled children by a couple of obnoxious sanctimonious chat show hosts. Despite the dogs, the incest, the blood, the scale of Mr Jory's programme is small, private and somewhat self-satisfied.

## Hendricks &amp; Alexeev/Wigmore Hall

David Murray

The young American soprano Barbara Hendricks and the young Russian pianist Dmitri Alexeev have begun a recital tour together, starting night before last at the Wigmore. One would like to hear them toward the end of their travels, but on Tuesday the partnership was polite to the point of sounding tentative. Alexeev is a superb soloist, but surely a very inexperienced accompanist; only in the second half, after he had played his own group of Rachmaninov preludes, did he allow himself a positive role in the duet music. Even at the risk of overbalancing his partner in her Rachmaninov songs, it was worth it.

They began with Purcell, in which Miss Hendricks sounded sincere, careful and pretty. The voice is true and fresh, with

an appealing hush of huskiness, though the top notes can be properly bell-like. Nothing like maturity of interpretation emerged until "Lord, what is man?" in which there were signs of the artist we hope to hear in a few years. Alexeev was almost inaudibly reticent. Mussorgsky's cycle *The Nursery* was sympathetically innocent, touching but terribly frail; the life and colour of these wonderful vignettes was reduced to baby-blue miniatures. Much delicacy could be detected in the piano parts, as if at a great distance—they rarely rose above pianissimo. For her part, Miss Hendricks needs to imagine a much tougher little boy.

Exciting at last on his own, Alexeev dispatched five Rachmaninov preludes with brilliant

subtlety, variety, visionary touches and the stamp of an absolutely individual musician. (These shorter pieces usually have the status of inspired fragments, and the intensity Alexeev lavished upon them their endings sounded especially perfunctory.) Miss Hendricks managed four songs by the same composer attractively, though the lower half of the voice did not always penetrate the accompaniment. Her personality counted for more than any particular details. With discreetly jazzy accompaniments which Alexeev obviously relished, she concluded with four spirituals, investing them with the feeling and confident flexibility that had been so constrained earlier. A considerable pleasure, and a reassuring promise.

## Arts Guide

Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

April 1-7

## Exhibitions

## WEST GERMANY

Cologne, Rautenstrauch-Baum Museum: The only German venue of an exhibition featuring 1,000 Mexican wooden masks and death masks. At so Pre-Columbian objects on loan from the Instituto Nacional de Antropología e Historia in Mexico City. Ends May 15.

Hannover, Kestner-Gesellschaft: 18 Wernefährten: The complete graphic work of Oskar Kokoschka, the Austrian expressionist, carefully guarded against daylight so as not to damage the delicate water colours and drawings. Ends May 15.

Berlin, Bräsehaus: Archiv, Klänge: 18 Wernefährten: The complete graphic work of Oskar Kokoschka, the Austrian expressionist, carefully guarded against daylight so as not to damage the delicate water colours and drawings. Ends May 15.

Munich, Lenbachhaus: 33. Jahresausstellung: More than 200 paintings by the Russian artist Alexey Jawlensky (1884-1951), and 15 years of friends and contemporaries. Ends April 17.

Berlin: National Gallery: 38 Kurierpostkarte: The only German venue of Swiss artist Ferdinand Hodler exhibition, which offers the first comprehensive survey of his work since his death in 1918. Ends April 24.

Bremen, Kunsthalle: 207 Am Wall: Drawings water colours and pastels by the Nazis and the Futurists, two French groups of artists from between 1890 and 1930. Ends April 10.

erwell: Portraits from Martin Luther's time. Ends April 24.

Frankfurt, Kunstverein: 44 Markt: Photographs, drawings and graphics by David Hockney underlines his importance as Britain's foremost living painter. Ends April 24.

Bonn, Städtisches Kunstmuseum: 7. Jahresausstellung: 140 works by Paul Klee, August Macke and Louis Mühlstein from a Tunisian trip which the three artists made together before the First World War. Ends April 24.

Cologne, Kunsthalle: 1. Josef Hanfstaengl: 200 paintings, gouaches and graphics. Ends May 8.

Cologne, Walraf-Richartz-Museum: An der Reichsstraße: Irish art of three thousand years comprises virtually all Irish national treasures on loan from the Irish National Museum, Trinity College, Dublin, and Irish Academy of Sciences. Manuscripts, relics of Irish Saints and medals from the workshop of Irish metalwork, silverware, and gold and silver jewellery. Ends June 2.

époque vases in pastel colours. Louvre des Antiquaires, 2 Place Faleis Royal, 11am-7pm. Closed Mon. Ends April 10.

LONDON

The Barbican Gallery: Rodin and his Contemporaries: the great formative genius of modern sculpture seen for once not in isolation, but in his true and proper context, his work itself conditioned by the romantic mid-century tradition, and reflecting the achievements of his great contemporaries. Degas for example, and running on to effect directly the next generation: Picasso, Bonnard and Matisse conspicuous among them. Ends April 10.

Hayward Gallery: Landscape in Britain 1850-1950: A lucky-dip of an exhibition rather than a close scholarly exercise, but none the less enjoyable for that. The good things are there to be discovered among the interestingly modern and even sometimes rather awful greater part; and if some of the great names are not too well represented, Whistler and Sickert for example, enough of the more obscure are all the more in evidence, and on their very best behaviour, from minor pre-Raphaelites to flittery expressionists. Ends April 17.

NEW YORK

Metropolitan Museum of Art: Those overwhelmed by the sheer volume of art at the Vatican will now appreciate the present loan of 230 choice pieces, including the Apollo Belvedere, Caravaggio's *The Boy with a Snake*, and even modern pieces by

Matisse in what the museum is calling its show of a decade. Ends June 12.

WASHINGTON

National Gallery: Seven major series by sculptor David Smith are represented in the 80 large works in welded metal included in the exhibit. Ends April 24 (23/27/04).

Corcoran Gallery: The latest in the Corcoran's Biennials, a tradition going back to 1907, concentrates on regional artists of the American west with 30 living painters represented by 106 works. Ends April 5.

CHICAGO

Chicago Historical Society: Besides a permanent collection with a visual biography of Lincoln, audio-visual account of the great fire and daily demonstrations of weaving and candlemaking, this regional institution has a special show of something Chicagoans must know well: cold-weather clothing over the last century. Ends May 1.

VIENNA

Museum für Angewandte Kunst: Meister Porcellan from 1710 until the present.

Opes House: Ecuador: Treasures of the past.

Palais Gallia: Turkish weapons from the Zagreb historical museum as part of the celebrations for Turkish year in Vienna. The collection of armory and weapons, many with individual and magical designs, shows development between the 15th and 19th centuries.

Albertinum: Josef Danhauser, the Biedermeier painter (1808-1845) previously lost and now rediscovered.

## F.T. CROSSWORD

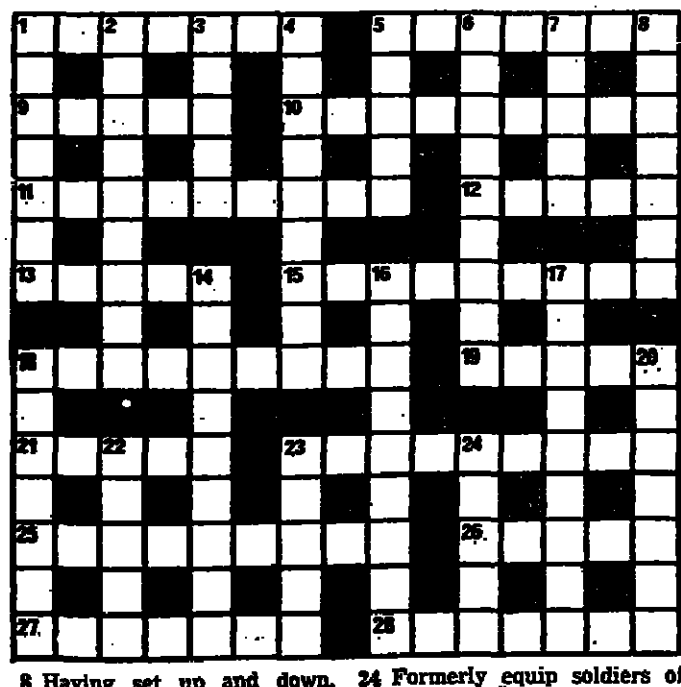
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ACROSS

- Amusing person in mock-auction (7)
- Revolutionary driver, the Californian giant (7)
- One needs a science to back here (5)
- Meal seen in the looking-glass? (9)
- Are they dying for naughty kids? (9)
- It could give housemaid trouble—like rub the wrong way? (5)
- Club for drivers in race for fairway, perhaps (5)
- Establish a student-body (9)
- Nice, right amount to have in the pocket? (9)
- Sofa's damaged by anatomical depression (5)
- Middlesex town losing power in area around The Bull (5)
- Could a nervous one lose his optic nerve? (9)
- Once E. Whistler's converted... (9)
- ...little woman admits sex-appeal and friendship (5)
- Sanction to finish rose off (7)
- Someday, perhaps, one could win at Cruff's (7)

DOWN

- Mine could be topical (4-3)
- Wavering, can't insure somehow (9)
- Poet's stress in strict usage (6)
- Like Grieg? No, Wagner I arrange (9)
- The red king (5)
- Surprise silk-work cut off short (4, 5)
- Playful cider-drinker first to last needs a basket (5)



6 Having set up and down, study picture-gallery (7)

14 Fastest gun in high society? (3-6)

16 Perpendicularity of Kent (9)

17 It is said to encourage child-raising (3-1-5)

18 Ivan the Terrible taking summer abroad—such innocence! (7)

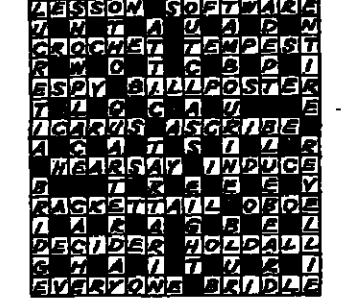
20 An attack, we hear, disarranged (7)

22 Used hooter and moved forward slowly and carefully (5)

23 Smetana's was battered in the Hebrides (5)

24 Formerly equip soldiers of some forgotten army (5)

Solution to Puzzle No 5,139



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Thursday April 7 1983

# Next move to the Russians

MR ANDREI GROMYKO, the Soviet Foreign Minister, appeared to reject the new American proposals for an agreement on intermediate nuclear forces in Europe at his Press conference last weekend. Yet, since the Russians have accepted the American suggestion that the next round of talks on the subject in Geneva should take place earlier than originally scheduled it is obviously not quite dead.

The Russians will also have observed, however, that except in one important respect the American proposals are not really new. The Americans previously insisted on the so-called "zero option" by which they meant that the Soviet Union should dismantle all its SS-20s, SS-5s and SS-20s in return for the non-deployment of American cruise missiles and Pershing 2s. President Reagan said last week that he would be ready to accept an interim agreement under which there would be equal deployment by both sides.

The new element is that the Americans seem to be preparing the way for the talks to continue after their own deployment is due to begin towards the end of this year. That matters for a number of reasons. For one, there is a school of thought—not to be scorned—which believes that the Soviet Union will negotiate seriously only when the first American missiles are seen to be in place. For another, since the deployment will take five years to complete, there should still be time for talks next year. Not least, the two sides are still so far apart that the chances of agreement in the next few months are remote.

## Sticking point

The principal sticking point is trying to achieve an agreed definition of "balance" or "equality." In the 1970s the strategic arms limitation talks (SALT) took place under the principle of seeking parity between the two superpowers. Both sides say that that is the aim in Geneva, but have failed to agree how to measure it.

In Moscow the phrase "zero option" has been interpreted quite differently than in the West: it means that the Soviet Union should have to keep the SS-20s it has deployed

in recent years, in return for no American counter-deployment. In that way, the Russians argue, balance has either been or will be established.

The Russians also argue that they are threatened on more than one front: by China as well as by the U.S., and even by Western Europe and Japan. Therefore they claim to need a global defence system.

## Rearmament

The question that the Soviet leadership has to ask itself here, however, is why so many countries distrust it. It is the relentless pace of Soviet rearmament which is the cause for concern. When Khrushchev decided to go for negotiations on intermediate nuclear forces in late 1959, and to deploy its own forces three years later if necessary, the Russians had about 140 SS-20s on site. Now they have over 350. Moscow was talking about having achieved balance in 1979. It still talks about the existing balance today, despite the fact that U.S. deployment has yet to begin.

The Russians have offered two major concessions in Geneva. Both are spurious. One is to move some of the SS-20s out of Europe into Siberia. That would create a potential new threat to their Asian neighbours. In any case, the weapons could easily be moved forward again. The other—superficially more beguiling—is to relate the numbers of SS-20s to those of the British and French strategic forces. Yet the INF talks are specifically about a U.S.-Soviet balance in Europe and the British and French forces are designed for quite other purposes. It is also striking that the Russians have not previously shown much interest in these European systems and they were not even mentioned in the first treaty.

There is every reason why the British and French forces should be included in subsequent arms control negotiations. It is also arguable that the Americans should eventually accept a similar parity of numbers in the INF talks. The ideal is a series of arms control agreements covering all kinds of nuclear weapons at steadily decreasing levels. But for that the Russians have to show that they mean business in Geneva. The next move is up to them.

# Flare-up in South-East Asia

THE SITUATION along Thailand's border with Kampuchea has suddenly escalated into a serious and potentially dangerous conflict.

Vietnamese troops, armed, funded and politically-backed by the Soviet Union, are dug in on Thailand's side of the border as they pursue their biggest ever offensive against Kampuchean guerrillas. The Thai air force has been in action against Hanoi's troops. Thousands of refugees are again on the move seeking shelter from the fighting.

Yet only a month ago, at the Non-Aligned Summit in New Delhi, there was talk of a "breakthrough." What has happened in four weeks to change the situation? And what should be done about it?

## Importance

The ephemeral breakthrough in New Delhi seemed, according to both the Vietnamese and the Malaysians, on Hanoi's willingness to sit down for the first time and talk about Kampuchea with the five members of the Association of South East Asian Nations (Asean) without the presence of the Hanoi-Samrin regime. Such a concession would indeed have been helpful since Asean has always rightly insisted that it cannot do business with a regime installed in Phnom Penh by the Vietnamese following their invasion of Kampuchea in 1979.

## Scuppered

The idea was, however, leaked to the Press and the two members of Asean most opposed to a dialogue with Hanoi (Thailand and the Philippines) then scuppered it. Within two weeks of that potentially damaging split Asean Vietnamese troops went into action. It must be assumed that Vietnam had been planning this major operation for months.

It would be natural to deduce from this that Hanoi's honeyed words in New Delhi were mere propaganda designed to give the impression of flexibility and reason at this world forum and, to expose the latent divisions within Asean on the issue of dealing with Vietnam.

This play would justify the offensive on the basis of Asean's unwillingness to take up a genuine concession made

by Vietnam. The purpose of the offensive is clearly to reduce the two non-communist Kampuchean guerrilla groups to military insignificance.

This would, in turn, leave Hanoi free to claim that the coalition painstakingly forged by Asean to include Prince Norodom Sihanouk, Mr Son Sann's non-communist Khmer People's National Liberation Front and the Khmer Rouge, was without real substance. If the Khmer Rouge alone, with its record of genocide in Kampuchea, is seen as the only alternative to the Hanoi-Samrin regime, then the presence of some 150,000 Vietnamese troops in that country is vested with a modicum of respectability, however slight.

## Importance

What should happen now? If the Vietnamese are serious about a dialogue they should pull back and put a stop to an operation which can only serve to destabilise Thailand, strengthen the army at a time when the politicians are trying to assert themselves there and give the hardliners a ready-made excuse not to negotiate with Hanoi. Asean should give serious consideration to the case reported to have been made by Mr Thach in New Delhi. If the Vietnamese suggestion was a bluff, this should be called.

Of far greater importance are the roles which can be played by the Soviet Union—without the assistance of which, Vietnam's efforts in Kampuchea would collapse—and by China. The Khmer Rouge's chief backers. They are the ultimate arbiters in this dispute.

It would be a mistake to see Vietnam as a Russian cat's paw in South-East Asia. The control of Indochina is a goal which the Vietnamese have pursued with single-minded ruthlessness since the 1940s. It is being done, primarily, to secure Hanoi's hegemony, not Moscow's.

Nevertheless, without Soviet help, Vietnam would not only be unable to pursue this goal but would also face serious internal instability as the economy, ravaged by three decades of war, collapsed. If the new regime in the Kremlin is serious about mending its fences with China, which sees the spread of Vietnamese influence as a threat to its own pre-eminence, then it must persuade Hanoi to stop fighting and start talking in earnest.

A FEW miles away from the headquarters of Cincinnati Milacron, the world's largest machine tool company, a smart new assembly and machining facility is being prepared for a grand opening later this month. It is owned by Mazak Corporation, a subsidiary of Japan's Yamazaki machinery works, and its position just across the Kentucky state line has been carefully chosen.

"Cincinnati Milacron," breathes Mazak's president, Mr Osamu Aoki, "Number One target."

A few years ago, such a goal would have seemed wildly presumptuous. In the late 1960s, the U.S. machine tool industry was three times the size of Japan's and was the undisputed world leader in technology.

Today, by contrast, there is little to choose between the two industries in terms of total production, while the technology gap has narrowed, and in some cases disappeared.

Most seriously of all, U.S. manufacturers have taken a battering in their own market. Measured by dollar value, the imports of machine tools into the U.S. have risen from 10.6 per cent to 27 per cent in the ten years to 1982, and is now much higher than that in a number of key product lines. In certain categories of numerically controlled machine tools, for instance, imports account for over 50 per cent of U.S. consumption.

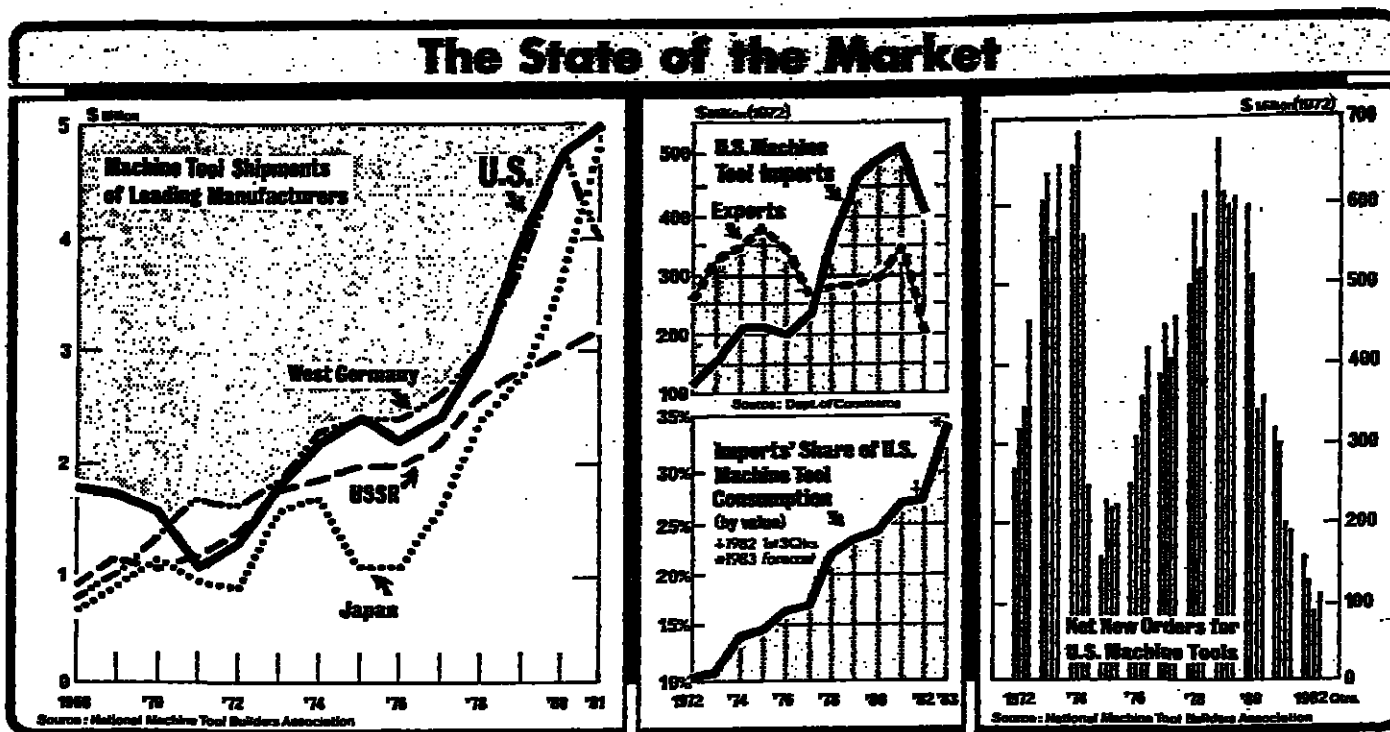
Japanese companies have grabbed the lion's share of this business. They now account for 44 per cent of U.S. imports, up from 21 per cent in 1973, and last year they supplied 81 per cent of all the numerically controlled turning machines imported into the U.S.

## The importers' big opportunity came in the boom years

The U.S. industry has been hit by one of the worst recessions on record. In constant dollar terms, net new orders fell by 84 per cent between the first quarter of 1979 and the last three months of 1982, and last year's new orders amounted to roughly half the level at the bottom of the last business cycle in 1975.

Not surprisingly, U.S. companies feel bitterly aggrieved. Last month, the National Machine Tool Builders' Association (NMTBA) petitioned for import quotas on the grounds that the industry was being undermined to the extent that national security had been placed in jeopardy.

Part of the problem lies in the character of the U.S. industry, which consists of a large number of small companies—over 1,200 at the last count—which are heavily concentrated in the high cost areas of the north central states. Whereas companies are playing 1,000 workers or more account for more than half the employment in Japan's machine



tool industry, the proportion in the U.S. is just about one fifth. In addition, the U.S. industry has always been extremely cyclical in nature, with three or four fat years being followed regularly by periods of utter misery. This has tended to make companies wary of taking on much debt, and of investing in new capacity before it was absolutely necessary. During the early 1970s in particular, total capital spending was cut back sharply—from a peak of \$105m in 1969 to only \$39m in 1971.

By international standards, parts of the U.S. industry became increasingly uncompetitive as the decade passed. By Mr Charles Ames, who became chief executive of Acme-Cleveland two years ago, says he found that the company's labour costs were at least 50 per cent above the competition. Mr Frederick Seary, who took over Bendix's machine tool business last year, says it was using proportionately about twice as much fixed plant and equipment as the most efficient Japanese companies.

At the same time, the technology of the industry was beginning to change rapidly and the U.S. was losing its lead. There seemed to be no great pressure from the U.S. market for change: according to the "American Machinist," a third of all metalworking tools in the U.S. are more than 20 years old. But when electronically controlled machines started to take an increasingly large share of the market, the Japanese were ready.

The NMTBA and many of its members still insist that across the board U.S. technology is at least equal to that of Japan. Some outsiders are more certain. According to a report prepared this year for the National Academy of Sciences: "The early development of numerical

control machine tools gave the American industry a considerable jump on foreign competitors in international markets, but in recent years this advantage has eroded considerably, particularly in relation to Japanese-manufactured computerised numerical control units that, in the opinion of the panel, are now more advanced than those produced by U.S. builders."

Moreover, the Japanese successfully identified a part of the U.S. market—standard machines in the small to medium sized

**Suddenly, the Japanese were everywhere—selling good quality machines for immediate delivery at favourable prices**

range—which was not being well served by U.S. companies. "That segment wasn't as apparent to all of us as it was to them," admits Mr Clifford Meyer, president of Cincinnati Milacron.

The importers' big opportunity came during the booming markets between 1977 and 1980, when Detroit was retooling and the aerospace and oil industries were also spending heavily on capital equipment. In real terms domestic consumption of machine tools rose at a compound annual rate of 13.7 per cent over that period, but domestic shipments only increased by 9.6 per cent. U.S. manufacturers began to quote delivery times of 15 months and more.

Suddenly, it seemed, the Japanese were everywhere—selling good quality machines

some U.S. companies believe there have been more sinister explanations for Japan's competitive edge.

The best known case is that of Houdaille Industries of Florida, which has petitioned President Reagan to suspend the investment tax credit for Japanese numerically controlled machining centres and punching machines. The company has produced extensive documentation which shows, it claims, that the Japanese Government had actively supported a machine tool cartel, and provided its members with a bewildering variety of loans, grants, tax concessions and the now famous bicycle and motorcycle race betting funds.

This refers to Houdaille's claim that semi-official government bodies which organise

betting on such races have been channeling their profits directly into the Japanese machine tool industry.

The Reagan Administration is expected to rule soon on this petition, which has brought vigorous objections from the Japanese. Meanwhile, some of the importers are building a direct presence in the U.S., at least partly in anticipation of possible trade troubles.

Thus machines produced at the new Mazak facility will have a U.S. content of at least 50 per cent. Elsewhere, Hitachi Seiki now operates a facility in Cuyahoga Falls, Ohio, and Makino Milling Machine has bought a majority interest in Le Blond of Cincinnati.

But the U.S. companies are not just waiting passively for government support, and some of them are in a strong position to fight back. Perhaps the outstanding example is Cincinnati Milacron itself. Generally recognised as an efficient company with a wide range of technologies under its roof—it has been in the electronics business since the 1950s—it has regularly spent far more on research and development than other U.S. companies, and claims to have doubled its market share during the recession.

Its response to the Japanese challenge has included a substantially increased investment in marketing, a marked broadening of its product range, and a much greater emphasis on computerised numerical control products. It has also brought out a number of smaller tools which, it says, will compete head-on with the Japanese and will be capable of producing a respectable return once the overall market recovers.

Other companies, with a less strong technological base, have gone out to buy new skills. Bendix, which acquired Warner

and Swasey in 1980 for \$300m, has undertaken a whole series of joint venture and partnership deals in recent months. Among other things, it has bought from Fiat a 50 per cent share in Comau, which is a European leader in factory automation, and signed a licensing arrangement with Toyota of Japan which will bring the rights to a new machining centre.

The last two years have also brought radical changes in the shape of many U.S. machine tool companies. At Acme-Cleveland, all but a handful of the top 50 managers have been changed, and the break-even point on annual sales has been cut from nearly \$40m to around \$24m by wholesale redundancies—including more than 1,000 salaried managers—and the relocation of plants from Cleveland, where wage costs run to \$22 an hour, to North Carolina, where the figure is around \$12.

Faced with continued weakness in demand, Acme is now trying to slash its break-even point even further to \$200m.

However, the biggest challenge for the U.S. industry may still lie ahead. The reason is that factory manufacturing processes in the next decade are likely to be transformed by the introduction of flexible design and manufacturing systems. Incorporating computer-aided design and manufacturing, robotics, sophisticated handling systems and a stack of electronics, the new technologies will offer scope for vast increases in productivity. Cincinnati Milacron's Mr Meyer thinks that U.S. metalworking capacity will be almost totally replaced by such systems over the next 10 to 15 years, and as a result believes that "longer term, it is clear that

**Major challenge may lie in the new technologies**

Milacron will have outstanding growth."

Such systems are generally tailored specifically for the customer, and—in the words of Mr Seary of Bendix—"you can't sell them through the mail." This should give an advantage to the domestic companies, with their established marketing networks and customer base.

However, factory automation is also bringing giant new competitors into the field, like General Electric, IBM and Westinghouse. And the Japanese are pushing hard. The most worrying comment in the recent report for the National Academy of Sciences was that the U.S. may already have slipped behind the Japanese in control technology and in the general development of machining systems that allow round-the-clock operation with minimum human attention. Whatever President Reagan may decide in the forthcoming Houdaille case, the Japanese are not going to go away.

# Men & Matters

## Chairmen's man

Among the nationalised industry chairmen none is more familiar with the corridors of Whitehall than Ron Dearing aged 52, former civil servant and chairman of the Post Office. From now on he will be able to put his government experience to a wider use.

He takes over this week as chairman of that most select of pressure groups the Nationalised Industries' Chairmen's Group, succeeding Norman Payne, chairman of the British Airports Authority.

Dearing is a classic case of gamekeeper turned poacher. From 1976 to 1980 he was a deputy secretary at the department of industry responsible for nationalised industry affairs. He handled British Shipbuilders, British Aerospace, Rolls Royce, Cable and Wireless and, of course, the Post Office.

On joining the Post Office in 1980 he set a style as a successful civil servant giving up a career as a high flyer in order to take a top job in business. He became head of the postal side before the telecommunications business became an independent operation (British Telecom) in October 1981. Three years later, Dearing is being widely praised for his work even by some of the Post Office's most stringent critics. He took over when morale at the PO was at an all-time low with declining services, soaring prices, and the prospect of a long term slide in the business.

But under his chairmanship service has generally improved and prices have risen less than inflation—even though this may not be the week to shout about it as the cost of a First Class letter has just been raised to 16p.

Dearing insists that the PO can increase its volume of business in spite of recession.

Fast talking, cheerful, and with a tremendous capacity for hard work, he is expected to

quickened the pace at the chairmen's group. One of the major current preoccupations of the group is Norman St John Stevas's controversial private Bill which would increase the powers of the civil servant and chairman of the nationalised industries. It will be instructive to see how Dearing plays that one.

## Lion's share

If anyone is in doubt of the role that the U.S. is playing in bolstering the economy and defences of Pakistan as the donor of the lion's share of the country's foreign aid (exceeding \$3.5bn over five years), they have only to look at the name of the director of the U.S. Agency for International Development in Islamabad.

He is Donor M. Lion.

## Second try

There may be a few red faces at the British Institute of Management if a new information service venture by two women chartered librarians is successful. For they ran the same service at the BIM until it was closed to save money.

The Confederation of British Industry became interested on behalf of its members who had found the service via the BIM useful. Now the CBI has stepped in and is promising the women promotional support and the backing of its members.

At the BIM the service provided a short-list of suitable management consultants for any project a firm might wish to get off the ground—all consultants had been vetted to ensure they could really do what they claimed.

Anne Mallach, aged 28, ran it with Cheryl Norrie, aged 29. After it was closed Anne left the BIM to have a baby. Now she and Cheryl are making their comeback with an independent company called the



"It's hopeless—every time I dial Directory Inquiries I get the slight commander of Challenger."

Management Consultancy Information Service. Some 85 firms of consultants have enrolled and the aim of the two women is to get most of the 1,000 active consultants in Britain listed. Inquirers have to pay £50 a time for information. But the CBI has won a special concession because of its interest and sympathy for the project—CBI members will only be charged half price.

## Sea slick

The Royal Yachting Association has carried sponsorship in the sport an important step forward.

The association has sought and obtained permission from the International Yacht Racing Union for boats racing in the Royal Yachting Cup—a match racing event which starts tomorrow—to carry the brand name of a sponsor down their sides. Some of the world's top racing helmsmen who have been

invited to compete against each other in identical boats will find their mounts carrying the names of the product—a beer.

Each yacht will have the name on the cockpit canvas screens (doggers) which usually carry the vessel's name or number for safety identification at sea.

Brand names and logos have been widely accepted in special yachting events such as trans-ocean races and, more locally, the Round Britain race. But almost alone among sports in Britain yachting has been kept virtually free from advertising material for the season's racing calendar and local events.

Indeed race organisers have on occasion, insisted upon a boat suffering a last-minute name change to avoid the charge of advertising. The YRU dispensation is "for this event only" explains John Reed of the association. And the RYA refused to consider slogans on the sails as the sponsors wanted.

Nevertheless, opponents feel the Lynton decision is the thin end of the wedge. The Royal Ocean Racing Club, which organises offshore events, remains opposed to any advertising on yacht hulls, for sails. The RORC is accepting sponsorship from a champagne company this year for the Admiral's Cup series. But the brand will be kept off the boats—apart, from its bottled form.

However, I believe that even the RORC may revise its attitude before the 1987-88 Parrells Race to Perth, West Australia, so that yachts can carry brand names on that long and expensive haul.

## Short order

Why does a Frenchman order only one egg with an English breakfast?

Because an omeuf is an omeuf.

Observer



## ECONOMIC VIEWPOINT

## The myth of the Kondratieff

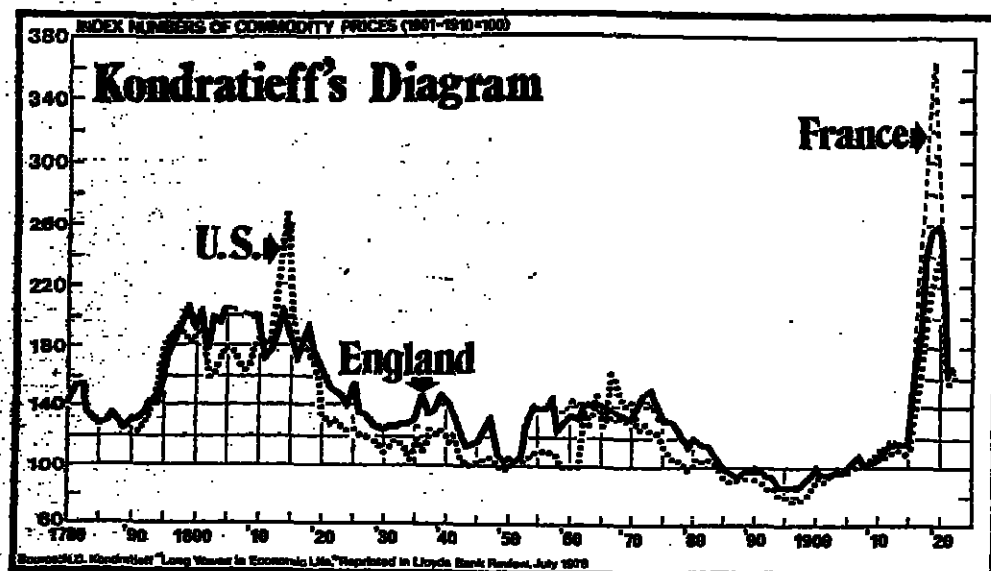
By Samuel Brittan

THE BELIEF that mankind is in the grip of mysterious forces, which it is powerless to change, recurs in periods of stress and difficulty. Some people find consolation for their own supposed powerlessness in the thought that they have charted the forces making for their own doom.

It is this kind of fatalism which accounts for the revival of interest in the past few years in the so-called Kondratieff cycle—a 50-to-60-year-long wave of economic activity supposedly discovered by a Russian economist, N. D. Kondratieff, in the 1920s.

Kondratieff's work undoubtedly encouraged the bad habit of looking for clockwork regularities in human affairs, instead of trying to understand the forces which make the world look plausible today mainly because the depression of the 1930s occurred just over 50 years ago—the length of a Kondratieff cycle. This thought, which can be conveniently made about economic movements is that they are irregular.

About the only assertion which can be confidently made about economic movements is that they are irregular. The immense rise in output since the Industrial Revolution has not been smooth and has been punctuated with periods of depression. The world's economies tend to overshoot in response to both upward and downward impulses, and the ripples set up by one impulse interact with those set up by the next. I was immersed against the cycle mania when, as a precocious youth, I read G. D. H. Cole's *Intelligent Man's Guide to the Postwar World*. He set out the data for the pre-war business cycle, which was usually regarded as nine years in length, but which some analysts had claimed was seven, 11 or 13 years instead. Cole



showed that much depended on how the peaks and troughs were measured. The record did not show any fixed length of cycle, but a series of irregular peaks and troughs of varying heights and depths.

It is possible to impose regularities on any irregular series by superimposing a number of different cycles of varying length. A favourite decomposition being the three-year Kitchin cycle (said to be due to stock movements), the nine-year Juglar and the 50- to 60-year Kondratieff. With sufficient ingenuity, such patterns can be imposed on the data after the event: they provide no key to the future.

The uselessness of the fixed-cycle view for forecasting purposes is apparent even with the simple UK business cycle. The previous nine-year variant seemed to have been succeeded by a cycle of four to five years, which some attributed to elections and stop-go. The peaks and troughs, as shown by the Central Statistical Office series based on output and activity indicators, are listed in the small table. But anybody relying on the four-to-five year regularly would have had a shock when the economy found itself at the bottom of the recession in 1975, only three-and-a-half years after the previous trough. If he concluded from this that the cycle was shortening, he would have been in for another

activity. The larger table shows that the growth of world industrial production was virtually the same in the "downswing" of 1870-84 as it was in the "upswing" of 1840-70.

There is no agreement between long-wave theorists about the dating of their cycles. Kondratieff himself dated his first cycle 1789 to 1849; the second 1849 to 1899; the third, he believed, peaked in 1920 and was on its downswing while he was writing. It will be seen that the cycle lengths vary considerably, and his dates are not the same as those of the American economic historian, W. Rostow, who has made a notable recent attempt to revive the long-wave theory. These discrepancies matter a great deal if one is trying to use the cycle for prediction.

One great economist, Joseph Schumpeter, incorporated the Kondratieff cycle together with two others of shorter duration in his explanation of business cycles. Schumpeter's basic thesis was that economic innovation is discontinuous and thereby generates cycles.

According to Schumpeter, the first Kondratieff upswing at the end of the 18th century was largely due to the dissemination of steam power, the second mid-19th century upswing to railways and the third, early 20th century, one to the motor car and electricity. The fourth came too late for either Kondratieff or Schumpeter, but writers in their tradition attribute it to chemicals, aircraft and electronics. The problem remains why major innovations should come at 50 to 60 year intervals, even assuming that one can measure the intensity of innovation. Accord-

## GROWTH IN 'WORLD' INDUSTRIAL PRODUCTION

Percentage annual change during Kondratieff's long wave periods

Wave	"Upswing" Period	"Downswing" Period
1	1785-1820 2.4	1820-1840 2.9
2	1840-1870 2.2	1870-1894 2.2
3	1894-1913 4.6	

Source: *The World Economy* by W. Rostow, Macmillan, 1978, p. 222.

## UK BUSINESS CYCLES

Peak	Trough
March 1980	October 1958
December 1964	January 1963
May 1980	March 1967
May 1973	February 1972
May 1979	August 1975
	May 1981

Source: C.S.O.

## Letters to the Editor

## Parliament, the Revenue and poor legislation

From Mr J. Newman

Sir, The state of letters on the Inland Revenue, Parliament and the state of UK tax law is unprecedented. Something is clearly wrong.

At first sight there would seem to be no connection between the several issues involved except the common theme of taxation. I would like to suggest there is: there has been no reform to correct injustices in the law, and streamlining it to modern day commerce. Further, Parliament has failed to produce good law, understandable not just by the House of Lords and QCs, but also by taxpayers. Some of the blame falls on the Parliamentary draftsmen whose output, in quality (but quantity) seems to have declined noticeably over the last 20 or 30 years. Whether

this is a result of the draughtsman themselves being of a lower standard or of their instructions being imprecise, I am not sure but the result of their work is poor legislation.

The system we have prevents proper discussion of finance Bills. Parliament is presented with the Bill and it will not be changed however much lobbying takes place in the committee concerned. The incidence of successful amendments from the opposition is evidence of this.

What then should be done to reform the system and eliminate these problems? Parliament should change its procedures so that the Finance Bill is not issued in April and passed in August—technical matters involved should be published in the autumn for consideration by a select committee. No doubt some would claim that debate

occurs by the issue of discussion documents by the Revenue. Unfortunately these do not have the requisite political input; they represent the Inland Revenue's view and although commendable in themselves, do not have the benefit of discussion in a freely elected assembly.

Tax systems should be given a thorough examination. The objective should be simplification, consolidation and the promotion of a taxation system in tune with the 1980s. It is time for a Royal Commission on the subject. The last reported in 1956, since then there have been vast changes in the structure of business and society in the UK. These changes have not been reflected in the tax system and reform is sought.

John A. Newman, 11, Garrick Street, WC2.

## Redirecting pension money

From Mr P. Nash

Sir, In the Labour Party's election campaign document it promises, among other things, to establish a National Investment Bank.

The primary purpose of this proposed body is to siphon off large sums of money (figures in the order of £5bn each year are being talked about) chiefly from pension funds in the UK to increase their respective contributions to the funds or the members' individual prospective pension entitlements will have to be reduced. In the absence of any change in the other factors affecting the average investment performance of the pension funds, there is no other alternative.

If a significant proportion of existing pension fund money is redirected from arguably high yielding assets to shares in industry which by their very nature are likely to provide a lower average return, then there is only one outcome. Either the 12m members of pension funds (but not all 27m wage earners) in the UK or their employers will have to increase their respective contributions to the funds or the members' individual prospective pension entitlements will have to be reduced. In the absence of any change in the other factors affecting the average investment performance of the pension funds, there is no other alternative.

This means that the proposed National Investment Bank would be taking part of the deferred and prospective earnings of every individual employee who is in a pension scheme, and using these earnings to reduce unemployment. This is taxation by the back door.

Philip Nash, Bracken Hill, 3, Birch Crescent, Aylesford, Kent.

## The source of a leak

From the Minister of State, Department of Employment  
Sir, Alfred Sherman (March 30) is wrong to say that a "disloyal civil servant in the Department of Employment" leaked a draft of his report on strikes. I would never have expected it, and having checked this, I find it to be completely untrue. I have asked Mr Sherman to reopen his files and check his unsubstantiated assertion.

Michael Allison, Department of Employment, Carlton House, Tothill Street, SW1.

## Instability in commodities

From Dr G. Gemmell

Sir, The proposal by Sir Sydney Cairns in his *Robert Paper* for the Institute of Economic Affairs—that an international agency be developed to act as broker for long-term commodity contracts—is a sensible one. It is a pity that in 1980, for five-year futures contracts.

In your editorial of March 28 you doubt whether any commercial agent would provide guarantees for such contracts, and consider that Sir Sydney's scheme would not operate without them. My view is that such long-term arrangements would need to have international governmental participation so that a default would result in sanctions at the highest possible level.

I have discussed five-year contracting with traders, academics and government officials and they raise the following objections. There is a lack of demand for such contracts by companies which use primary commodities as a cause price fluctuations, may largely be passed on to the consumer. This follows from the fact that a single raw material (e.g., cocoa in chocolate bars) is only a moderate proportion of the total value added. It is argued that such contracting would already exist if there were a demand for it. Some traders argue that contracting already occurs (e.g., Philippines for sugar in 1980, Australia for sugar in 1975), and so no new intermediation is required. There is undoubtedly a lack of demand from raw-material

using companies for contracts over one year in duration and there is currently not enough speculative demand to fill the gap. What might encourage a speculator to add a long-term commodity contract to his portfolio? The speculator requires a liquid asset, hence he needs to be able to buy a standardised futures contract and not an ordinary contract. The specialist should be published in the autumn for consideration by a select committee. No doubt some would claim that debate

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Institute of British Architects specifically avoided entering into the anti-nuclear debate by restricting its case to two headings: environmental impact upon a heritage coastline; and energy economy (ie, whether the money might more effectively be spent on energy conservation measures).

It is our opinion that Sizewell B represents a major development project for the region and therefore that architects have a positive and helpful contribution to make.

Roderick Rees, 6, Crown Street, Bury St Edmunds, Suffolk.

## Polling in Suffolk

From Mr D. Stanley

Sir—So your readers do not get the wrong impression from Mrs Janet Pickett's letter of March 29, I would like to point out that there was also a private referendum held in Leiston on the subject of the proposed Sizewell "B" pressurised water reactor.

Results from a poll of 2,002 residents were: 866 having no objections to the building of Sizewell "B" PWR; 855 having objections, mostly concerning the inconvenience during the building phase; 208 wish to leave the decision to the scientists; 67 did not know; and 5 papers were spoilt. The total electorate at the time was approximately 3,869.

D. E. Stanley, Pro Nuclear Power People, "Rose Villa," Tunstall, Woodbridge, Suffolk.

## Architects respond on Sizewell B

From the President, Suffolk Association of Architects, RIBA Eastern Region Branch  
Sir—We do not understand Mr Stanley's letter of March 28. The eastern region of the Royal

## Lombard

## Varieties of Marxism

By John Lloyd

THE OFFICIAL obsequies on the centenary of Marx's death froze the hairy old scholar in one of his two Anglo-German attitudes: the revolutionary thinker, hope of the peoples and prophet of the working class; or the verbose polymath whose forecasts were hopelessly wrong, a primitive Gallup without benefit of data banks and questionnaires.

The second of these has been well rehearsed, as conservative and social-democratic academics have pointed up the economic inefficiency and social tyranny of many of those states framing policies in Marx's name. The first, too, has been reasonably well represented: even with a Thatcherite wind blowing through the groves, there are sufficient distinguished Marxist scholars to respond to a rush of orders for centenary spongers.

The ultra-official line was given at Marx's graveside in Highgate by Mr Gordon McLennan, general secretary of the Communist Party of Great Britain. Mr McLennan spoke of Marx's (and Engels') work as a "guide and inspiration" and as the basis for social and political analysis which, in many countries, preceded revolution.

Mr McLennan continued: "The outstanding example of this was undoubtedly Lenin's searching analysis of the specific situation in Russia and the resulting strategy which culminated in the first socialist revolution, the first break in the global power of capitalism and imperialism, and the birth of the first socialist system."

Mr McLennan puts it well: the official position of all communist parties, in power and in opposition, has been based not so much on Marxism as on Marxism-Leninism, that peculiar amalgam of acute insight and "Asian savagery."

Effective Marxism in the 20th century is Leninism (or Stalinism): the recent developments in Eurocommunism, a pale shadow of which is presently causing convulsions in Britain's communist Party, have been a late and not yet wholehearted revisionism, which has never been tested by winning power.

This point was made in a recent lecture on Marx given by Mr Hugh Roberts, an academic from the University of East Anglia and a sceptical

student, rather than a follower, of Marx. Roberts's pitch was that the pre-emption of Marxism by Leninism, and Leninism's subsequent elevation to official status, squashed that strand in the writings of Marx and Engels which held out the prospect of a democratic or pluralistic road for Marxist politics.

Supporting the thesis with examples from Marx's journalism and essays, Roberts showed that while Marx was inconsistent and contradictory, a constant theme was his growing belief that the working class—especially the British working class—could gain political power through the ballot box, and that such a development was desirable.

Mr Roberts's theme is worth rehearsing here because of the further point (which he did not make) that Leninism, with all its anti-democratic baggage, became and remains the touchstone for many who regard themselves on the left of politics. Even where they may be members of the French or Italian socialist parties, or the British Labour Party, or even the German SPD, they tend to genuflect guiltily to Leninism as a stern and uncorrupted oracle. Democratic socialism is always susceptible to the seduction of undemocratic socialists because the latter can represent themselves as the more determined opponents of capitalism.

The British Labour Party has seen its full share of that phenomenon, as legions of its younger (and older) militants have savaged the centre-right in the covert or unconscious name of Leninism. Some—like Militant—know well what they are doing; others have not known or have not cared to think through, that their leftism's logic threatens not only capital's freedom, but also labour's.

"Broad church" parties impatient of ideological clarity, like British Labour, are particularly open to this tendency. Those social democrats who remain in Labour's ranks might reflect on this centenary year of Marx's death, that his writings can often hoist his latter-day disciples on their own petards, and that a touch of the "searching analysis" with which he is credited could assist the process of discrimination between Leninists and democrats.

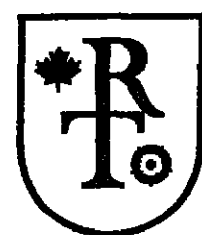
# Royal Trust

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# SECTION II - INTERNATIONAL COMPANIES FINANCIAL TIMES

Thursday April 7 1983

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## Baldwin-United down \$17.8m in quarter

BY RICHARD LAMBERT IN NEW YORK

BALDWIN-UNITED, the troubled financial services group, reported a fourth quarter loss of \$17.8m before realised gains, and said the auditor's statement in its annual report would be "qualified as to several uncertainties".

Net income for the year fell from \$79.3m to \$47m, again before securities gains. After taking these gains into account, net income for the year emerged at \$66.3m, but the fourth quarter loss was reduced to \$2.8m.

In December of last year, Baldwin forecast that its net income for the year would be \$125m to \$150m, leaving earnings of up to \$40 a share.

In the event, earnings a share after taking the realised gains work out at \$2.80.

Baldwin shares have collapsed on the stock market in the last month. They rallied earlier this week on speculation that the group was making progress in negotiations with its bankers to restructure the debt, but fell again yesterday morning following the figures. The company said discussions with its bankers were continuing, but gave no further details on the talks.

The group said the fourth quarter figures had been "materially adversely affected by a number of charges, including charges for in-

come taxes and reserves for possible losses in certain investments and advances, which are not expected to recur in material amounts in future periods."

Baldwin has also extensively restated its earnings for the first nine months of last year.

Net income for the first nine months of the year is now put at \$89.1m, compared with \$90.5m as originally reported. Sales for the year rose from \$2.5bn to \$3.6bn.

Insurance services account for \$2.8bn of Baldwin's revenues, and include a substantial amount of single-premium deferred annuity business.

## Foreign expansion boosts Carrefour

By David Marsh in Paris

CARREFOUR, France's leading supermarket group, achieved a 13.3 per cent increase in group profits last year, due mainly to rapid expansion of its foreign outlets, principally in Spain and Brazil.

Consolidated turnover rose 18.5 per cent during 1982, well ahead of the 14.6 per cent increase in parent company sales.

Turnover growth slowed considerably in the first quarter of 1983 both in France and abroad, but group figures continued to show faster expansion than the parent company's.

The store chain has been complaining for several months about a slowdown in consumption and falling profit margins as a result of the French Government's economic squeeze. Sales growth is expected to continue to falter in coming months as a result of the latest austerity package.

Group profits last year were FF408m (\$60m) against FF306m in 1981, on turnover of FF20bn (against FF24.5bn). Depreciation charges rose to FF380m from FF300m.

As already reported, parent company profits last year rose only 9.9 per cent to FF312m on sales of FF14.4bn. In the first quarter of 1983, parent company sales rose 9.5 per cent to FF4.5bn, while group turnover increased 11.3 per cent to FF7.7bn.

## Record trading on German stock exchange

By Our Financial Staff

THIS year's heady progress by the German stock market is underlined with dramatic effect by the latest activity statistics from the Frankfurt Bourse.

Share dealing turnover totalled DM 3.4bn (\$2.2bn) in March, nearly double the previous peak for trading volume, which was DM 3.6bn in February. Total bond turnover, including bonds, was DM 12.9bn, against DM 7.9bn in February.

The March figures extend total turnover for the first quarter of 1983 to DM 29.4bn. The comparable 1982 three months achieved a trading volume of less than DM 15bn.

The main boost to activity comes from the equity market, which this week has continued to break new high ground. The Commerzbank index currently stands at more than 920 for a gain of more than 40 per cent since its lows of last August.

Of the DM 8.8bn of stocks traded in March, most were of German companies, with foreign stocks accounting for DM 742.6m.

## RAPID EXPANSION FOR U.S. INSURER

## American General hits big time

BY RICHARD LAMBERT IN NEW YORK

LAST WEEK'S agreed bid by American General for the insurance interests of Gulf United marks the third major acquisition by the Houston-based financial services group in 18 months. If it goes through, American General will emerge with revenues of about \$4.5bn, nearly double the 1981 level. Its stockholders' funds will have climbed from \$1.2bn to about \$2.75bn in the same period.

With gross assets of about \$18bn, the group will have moved into the financial big league.

Taken together, the three bids have a total value of about \$2.7bn, and have been financed by cash and an array of equity-type paper, including convertible preferred and convertible debentures. The main thrust of the expansion has been in the life insurance sector.

Revenues from property/casualty insurance have increased quite modestly in the past two years, and are currently running at a bit under \$800m a year. That represents only about a fifth of total revenues on a pro forma basis, down from about a third two years ago.

After picking up Creditlife Financial, a consumer finance group, for about \$150m, American General

sprang into the big time later last year with the \$1.5bn takeover of NLT Corporation, a Nashville insurer which is primarily engaged in home service life business, - or industrial life, as it is less glamorously known in the UK.

Now comes the Gulf acquisition, which will cost a little over \$1bn, and will bring in premium income of about \$500m. Of this, \$407m is in the accident and health segment, mainly group business, and \$405m is in the life insurance sector.

This again includes quite a large slice of home service insurance, which is not exactly the fastest growing segment of the life insurance industry. But then American General does not seem to be paying too inflated a price by the standards of the financial services sector. The adjusted book value of the businesses being acquired is \$818m, and net income in 1982 was a little over \$100m.

Mr Nicholas Rasmussen, American General's treasurer, thinks the latest bid will not have much impact either way on overall earnings per share this year. American General's fully diluted earnings in 1982, after taking in a full 12 months for

NLT and Creditlife, were \$7.53 a share.

But the bid should have a positive impact on American General's balance sheet, which is highly geared by the standards of the insurance sector. It is mainly being financed by convertible preferred stock. Mr Rasmussen says that if this is regarded as equity, then the total equity base will rise from 70 per cent to 80 per cent of American General's capitalisation after the deal.

The group also has a number of assets up for sale, including Nashville's Grand Ole Opry - Mecca for the world's country and western music fans - which was acquired with NLT. All told, American General plans to raise between \$400m and \$700m through the sale of various activities, and has already announced disposals worth \$270m.

For some time the group has been dropping heavy hints that it was interested in buying a property/casualty operation, so last week's bid came as quite a surprise. But according to Mr Rasmussen the Gulf deal was an opportunity not to be missed.

Gulf announced publicly at the beginning of this year that its insurance interests were on the auction

block, and Mr Rasmussen says that "if we didn't do it now, we weren't going to do it at all." Among other things, the deal will strengthen American General's interests in the south eastern region of the U.S. where it has been relatively lightly exposed to date.

Further acquisitions are still possible. In the past the group has made aggressive use of its investment portfolio to build up strategic equity investments, and it now holds sizeable stakes in two property/casualty companies, St Paul Companies and Continental. After taking in Gulf American General's portfolio of funds under management will amount to about \$11.5bn, making it a force to be reckoned with on Wall Street.

The group's willingness to take a big position in other businesses was shown only last month, when it announced plans to invest \$40m in Continental Airlines of Houston, the sixth largest U.S. airline. The deal could bring American General a 20 per cent interest in the airline.

Whatever its immediate plans, European investors will be hearing more of the company. American General plans a London listing for its shares next month.

## Thyssen Industrie orders drop

By James Bichan in Bonn

THYSSEN-Industrie, the capital goods division of the diversified Thyssen group of West Germany, suffered a sharp drop in orders booked in the first half of the current year up to the end of March.

Herr Werner Bartels, chief executive of the steel manufacturing concern, said that new orders booked by the domestic companies in the first six months, at DM 1.8bn (\$765m), were sharply down on the same period in 1981-82.

He also indicated that the order book at the end of March stood at DM 5.2bn, 9 per cent lower than six months ago.

Sales, which have stagnated for the past two years at DM 5.4bn (including overseas subsidiaries), fell by 3.3 per cent in the first six months to DM 5.2bn compared with the first half of 1981-82.

Thyssen Industrie, which supplies equipment for the mining, aircraft, shipping and railway industries, increased its net earnings dramatically last year.

## Arbed rescue plan proposed

LUXEMBOURG - The Luxembourg Government has proposed a five-year rescue package for the steelmaker Arbed. It would include LuxFr 9bn (\$187m) in state aid in the first two years and cut production capacity to 4m tonnes from 5.25m tonnes.

Luxembourg officials presented the broad outlines of the plan last week to EEC Commissioners for Industry. It is understood that the Commission expressed concern at its impact on the timing and the objectives of the EEC's overall steel strategy.

## VMF-Stork shows sharp recovery

BY WALTER ELLIS IN AMSTERDAM

VMF-STORK, the Dutch machinery group, has failed to declare a dividend for the seventh consecutive year, despite a 400 per cent increase in earnings in 1982, to F1 7.1m (\$2.8m). The company says that net profits must all be transferred to reserves to help make up for losses incurred between 1975 and 1980.

The Dutch Government has held a majority holding in Stork since 1978. The group is one of the largest engineering concerns in the Netherlands and manufactures diesel engines, generators, boilers and air-conditioning units.

At the end of last year it had a workforce of 13,500, 64 per cent of whom were employed in the Netherlands and the rest overseas. This is a reduction of 1,472 on the 1981 workforce.

Stork's operating result last year

rose from F1 5.5m to F1 14.1m, and the trading profit was fractionally up, at F1 31.5 against F1 31.2m.

New orders booked with Stork in 1982 are currently valued at F1 2,044m, an increase of F1 252m, or 14 per cent over 1981. Of the order book total, 71 per cent by value came from foreign customers, compared with 67 per cent in 1981.

Tax paid last year was slightly down - F1 12.4m against F1 13.5m - but interest charges on loans went up from F1 300,000 to F1 3.5m. Extraordinary losses last year came to F1 7m, with much of the total arising from start-up costs at a new boiler-making venture, Stork Ketels.

Stork has yet to publish its forecast for 1983. The trend, however, seems to be positive and a good performance this year would not come as a surprise.

## Setback for Holec

BY OUR AMSTERDAM CORRESPONDENT

HOLEC, the Dutch electrical engineering group, has disclosed debts to its banks totalling F1 79.3m (\$30m) following a disappointing year in 1982.

Expected orders worth F1 150m failed to materialise and the company was obliged to keep borrowing at a time when it had hoped to begin moving its finances back into the black.

Net losses last year amounted to F1 22m, an improvement over 1981's losses of F1 66m but without the justification of that year's reorganisation and closure costs.

Holec came close to collapse in 1981 when the Government refused to back the development of its heavy transformer division. The crisis as a whole cost the company F1 53m and led to effective financial

control passing out of its control and into the hands of the banks.

Many group assets are now classified as security against loans.

Holec is now in the middle of a vital restructuring programme aimed at restoring viability by the end of 1984. Last year savings of F1 48m were achieved, and a further F1 24m in savings is forecast over the succeeding two years.

At present Holec is getting its new central sales organisation off the ground in the Netherlands. It intends to concentrate its present strategy around five core activities - machines and systems, components, distribution systems, energy systems and sales and projects.

At the end of last year Holec employed 4,725 workers in the Netherlands and 616 abroad.

New Issue  
April 7, 1983

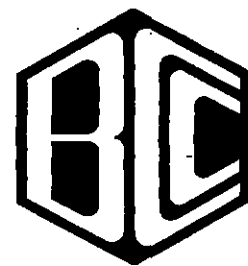
All of these bonds having been placed, this announcement appears for purposes of record only.

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Deutsche Bank Aktiengesellschaft	Dresdner Bank Aktiengesellschaft	
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(LUXEMBOURG) SA  
39 Boulevard Royal, Luxembourg

December 31  
**1982 US\$ 640 million**

Capital Funds US\$  
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Total Assets US\$  
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**BCC Group now has Offices in 61 Countries**

### Subsidiaries

Bank of Credit & Commerce International S.A., Luxembourg.  
Bank of Credit & Commerce International (Overseas) Ltd., Grand Cayman.  
Bank of Credit & Commerce International (Lebanon) S.A.L., Beirut, Lebanon.  
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Bank of Credit & Commerce Canada, Montreal, Canada.  
Bank of Credit & Commerce (Zambia) Ltd., Lusaka, Zambia.  
Bank of Credit & Commerce (Botswana) Ltd., Gaborone, Botswana.  
Bank of Credit & Commerce Zimbabwe Ltd., Harare, Zimbabwe.  
Bank of Credit & Commerce Cameroon S.A., Yaounde, Cameroon.  
Banque de Commerce et de Placements S.A., Geneva, Switzerland.  
Hong Kong Metropolitan Bank Ltd., Hong Kong.  
BCCI Finance International Ltd., Hong Kong.  
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BCCI Finance International (Kenya) Ltd., Nairobi, Kenya.  
Italfinance International S.p.A., Rome, Italy.

### Affiliates

Bank of Credit and Commerce (Emirates), Abu Dhabi, U.A.E.  
Bank of Credit & Commerce International (Nigeria) Ltd., Kano, Nigeria.  
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National Bank of Oman Ltd., (S.A.O.) Muscat, Sultanate of Oman.  
Premier Bank Ltd., Accra, Ghana.  
KIFCO - Kuwait International Finance Co., S.A.K., Safat, Kuwait.  
BCC Finance & Securities Ltd., Bangkok, Thailand.  
BCCI Leasing (Malaysia) Sdn Bhd, Kuala Lumpur, Malaysia.



## York Bancorp

has been acquired by

## Continental Bancorp, Inc.

The undersigned assisted in the negotiations and acted as financial advisor to York Bancorp in this transaction.

**Kidder, Peabody & Co.**  
Incorporated

## Anderson Strathclyde PLC

has acquired approximately 51% of

## National Mine Service Company

The undersigned acted as financial advisors to Anderson Strathclyde PLC in this transaction.

**Lehman Brothers Kuhn Loeb**  
Incorporated

**Lloyds Bank International**  
Limited

March 17, 1983

## INTL: COMPANIES & FINANCE

### Bank Leumi raises share bonus but pays no cash

BY L. DANIEL IN TEL AVIV

BANK LEUMI, Israel's largest banking group and the 83rd largest in the world, achieved a 30 per cent net profits increase, in dollar terms, to \$102.6m for 1982 and 15 per cent growth in its balance sheet total to \$23.4bn.

Capital resources grew by 30 per cent to \$827m. Deposits by the public increased by 17 per cent in dollar terms and loans to the public by 21 per cent.

In order to preserve a sound capital base and avoid the expense of paying cash dividends to 450,000 shareholders, the bank this year is distributing only bonus shares. This will be at the rate of 100 per cent on top of the 40 per cent distributed during 1982, thus making a 1982 total of 180 per cent. In 1981 the bank distributed 100 per cent in shares

and 16 per cent in cash.

Of the bank's total assets 70 per cent is in actual foreign currency denominated deposits and foreign currency funds. Only 5 per cent is kept on current shekel accounts and 25 per cent is in index-linked shekel savings accounts. The large proportion of foreign currency is due to the bank's extensive overseas network of subsidiaries, branches and offices (no less than 50 in the western hemisphere alone and dozens in Europe and elsewhere).

The consolidated balance sheet does not include the provident funds and unit trusts managed by the bank which together total \$1.5bn.

Bank Leumi plans new issues this year both in Israel and abroad. In 1982 it raised \$100m locally, and twice raised \$60m

on the Eurodollar market, bringing the total placed on that market since 1976 to \$455m.

Meanwhile, Union Bank of Israel, the largest commercial bank in the Leumi group and traditionally the dominant one in the financing of the local diamond industry, has reported net profits of \$h 495.8m (\$12.4m) for 1982, a rise of over 64 per cent, discounting inflation, in 1981.

The bank is to pay a 30 per cent bonus in shares on top of the 180 per cent scrip issue paid in December 1982. This effectively raises the scrip share distribution for last year to 180 per cent compared with 75 per cent plus 18 per cent cash.

While raising its reserves to cover possible bad debts in the diamond industry, the bank reports no major difficulties from this sector.

### Levelling in growth rates for UAE banks

By Our Abu Dhabi Correspondent

SEVERAL BANKS in the United Arab Emirates have announced increased profits for 1982, but the general feeling is that growth rates have levelled out. The main reason for this is the fall in oil revenues for 1982, but volatile world interest rates also contributed.

The Abu Dhabi-based Khaili Commercial Bank reports profits of \$7.2m against a 1981 figure of \$6.1m. The bank, in which the ruling family has a substantial interest, raised its authorised capital during the year from \$54m to \$133.2m. Total assets now stand at \$815m.

The bank has been largely successful in increasing customer savings and term deposits, and reducing inter-bank borrowings.

The Bank of Oman is, despite its name, 100 per cent UAE owned and ranks third in the country in terms of its more than \$2bn assets. Profits for the year were \$22m.

The bank paid particular attention to its debt/equity ratio and has slowed down its rates of advances.

The Federal Commercial Bank, founded in 1976 and one of the few banks whose shareholders include members from all seven emirates, has raised its capital twice since 1980, bringing paid-up capital to \$50m.

The bank's authorised capital is \$135.6m. In 1982 there was a 10 per cent bonus share issue, the bank's first dividend for three years.

Two Dubai-based banks, which follow Bank of Oman in the UAE league tables, are the National Bank of Dubai with assets of \$1.6bn and the Union Bank of the Middle East with assets of \$1.5bn. U.B.M.E.'s profits rose 28 per cent to \$16.3m while the National Bank of Dubai declared profits of \$40.7m and a 20 per cent dividend.

KUWAIT ASIA BANK, a locally incorporated Bahraini offshore banking unit which started operations in January 1982, has completed an increase in its paid-up capital from U.S.\$30m to \$100m through the issue of 70m new shares. The authorised capital has concurrently increased to \$150m.

Mr Salah Fahad al-Marzook, the chairman, said each of the 10 Kuwaiti and two Bahraini financial institutions that were founder shareholders has doubled their respective holdings at par.

### Bank Hapoalim profits up 28%

BY OUR TEL AVIV CORRESPONDENT

BANK HAPOLIM, Israel's second largest banking group, reports growth in all areas of activity in 1982.

Total consolidated assets grew by 16.8 per cent in dollar terms to \$22.3bn, after-tax profits soared by 28.3 per cent to \$128.1m, and deposits grew by 20.4 per cent to \$14.9bn.

In the light of these increases, shareholders are to receive a bonus share issue at the rate of 150 per cent compared with

100 per cent in shares and 12.5 per cent in cash in 1981.

The Bank Hapoalim group has a network of 943 branches in Israel and overseas. It operates in 13 countries, in North and South America as well as in Europe.

It broadened its capital base last year with a \$88m share and options issue on the Tel Aviv stock exchange and raised \$50m on the Eurodollar market which brought the total of

annual issues of this kind to \$290m since 1977.

Israel General Bank, owned by Baron Edmond de Rothschild and one of the country's smaller commercial banks, reports a 66 per cent increase in net profits, in real terms, to \$h 35.3m for 1982.

The balance-sheet total grew in line with inflation to the equivalent of \$245.2m. The 15 per cent cash dividend paid in July is to be declared final.

### Century expands cement division

BY R. C. MURPHY IN BOMBAY

CENTURY SPINNING and manufacturing, a Birla group company, has commenced a major expansion scheme for its cement division. The company, which has two 800,000 tonnes plants in the state of Madhya Pradesh (Central India), proposes to set up a 1m tonnes complex with equipment from Fuller of the U.S.

The cement division, along with other cement companies, is benefiting from the removal of price and distribution controls on one-third of production under the government's dual pricing scheme introduced early last year. Power shortages have prevented maximum utilisation of capacity but the company is making efforts to

get round this by installing diesel generators.

A 22 per cent drop in sales income is seen for 1982. The fall is attributed by Mr Birla to the prolonged strike in its textile division at Bombay and a labour dispute in its rayon complex near Bombay. Workers in all of Bombay's textile mills went on strike in January 1982.

Century's textile division, however, started three-shift working in October 1982. Company profits before tax and depreciation fell only 11 per cent to Rs 228.4m (\$32.8m) against Rs 253.7m previously, suggesting a growth in profitability of other divisions. The payout is maintained at 20 per cent.

### Tisco to invest Rs 8bn on steel modernisation

BY OUR BOMBAY CORRESPONDENT

TATA IRON AND STEEL COMPANY (Tisco) has drawn up a large Rs 8bn (\$802m) investment plan for the next seven years. The plan covers the second and third phase of modernisation of its 75-year-old steel mill in Bihar, the only integrated steel plant in the private sector.

In the second phase, due to start in April 1983, Tisco is to spend Rs 3bn from the proposed Rs 8bn on a new bar and rod mill. This part of the expansion scheme was bitterly opposed by other private sector small-scale steel plants using electric furnaces for fear that Tisco will price them out of the market.

The licence for the bar and rod mill was cleared personally by Mrs Indira Gandhi, the Prime Minister, only after Mr J. R. D. Tata, Tisco chairman, convinced the Government that domestic demand would grow to absorb the production of all the steel plants even after the new Tisco plant comes on stream.

The foreign exchange cost of the second phase is around Rs 500m which would be covered by credits from overseas equipment suppliers. Mr Tata hopes to get a substantial portion of rupee finance for the second phase from the government managed Steel Development Fund, established primarily for financing modernisation of public and private sector steel plants. When the second phase is completed in mid-1986, Tisco's annual saleable steel capacity will rise to 2.02m tonnes.

All of these securities have been sold. This announcement appears as a matter of record only.

April, 1983

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4,500,000 Shares

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Floating Rate Notes due 1990

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In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six months, 7th April, 1983 to 7th October, 1983 has been fixed at 10 1/4 per cent per annum and that the coupon amount payable on coupon No. 2 will be U.S. \$12,867.19.

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Wood Gundy is pleased to announce the opening of its office in Hong Kong under the management of Jacques Cote, Vice President and J. Robert Dack, Assistant Vice President.



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## INTL. COMPANIES &amp; FINANCE

## West German banks change tack as bad debt threats hit home

BY STEWART FLEMING IN FRANKFURT

SEPARATING fact from fantasy in the analysis of West German bank profits has never been easy, for the banks set out to confuse rather than enlighten their shareholders, customers and competitors through obscure accounting.

Last year, the challenge became doubly difficult. On the one hand, the commercial banks have been announcing record operating profits for the year, in some cases double the figure reported for 1981. On the other, the banks have been stuffing their balance sheets with massive loan loss provisions — without going into details.

Shareholders, who have thus been deprived of the benefits of the profits boom (dividends have been increased modestly, if at all) have been left asking themselves whether the provisions are the best indicator of the banking industry's health, or whether, at a time of mass unemployment and economic recession, the banks are simply burying earnings in their balance sheets in order to avoid political opprobrium.

The scale of the increase in published provisions is, in fact, striking. Deutsche Bank, for example, increased the published figure from DM 1.2bn to DM 1.7bn (\$700m) for the group. In 1978 it put only DM 287m into published provisions. As with the other banks, even the DM 1.7bn will be only part of the total provisions since the banks are allowed to strengthen hidden reserves by offsetting securities trading profits against loan loss provisions.

That the banks have been able to boost their reserves so generously reflects the surge in profitability experienced in 1982. Deutsche Bank AG, the parent bank, for example, reported that net interest income reached DM 3.5bn on its DM 115bn (\$77bn) of assets, up from DM 3.4bn in 1981. Commission income was around DM 950m. Securities trading profits, above all bond trading profits, doubled to a post-war peak—the actual figure does not under German accounting regulations have to be disclosed, a fact which must have taken an immense burden off the minds of the bank's management.

Falling interest rates provide the simplest explanation for the boom in profitability which the

banking industry, the commercial banks, savings banks and co-operative banks in particular, have been enjoying since the second half of 1981.

Indeed, in the past few months, bankers have had vigorously to refute crude allegations from among others the Bundesbank that they have been taking advantage of declining interest rates at the expense of their customers and, therefore, of the economy as a whole.

The industry's critics maintain that every time the Bundesbank cuts leading interest rates (which it has done nine times since October, 1981), the banks have reduced as fast as possible

ing their money books short so that the benefit of falling short-term interest rates comes through the more rapidly, and have been enjoying the revival in the growth of consumer savings and sight deposits, both cheap forms of funding.

Many banks have also been reducing their dependence on interbank funds, a policy resulting in part from concern about the condition of the international interbank money market.

The impact of these changes in liability and asset management has come through all the more quickly because it has been taking place against a

taciturnity to commercial bond profits. Now that the bulk of the decline in interest rates is over, it is no surprise that bankers such as Dr F. Wilhelm Christians, joint chief executive of Deutsche Bank, are warning that operating profits are unlikely to be as good in 1983.

Dr Christians has also warned that loan loss provisions are likely to remain high this year. For the banks' shareholders such statements are difficult to interpret. They can see, of course, that with a record 12,000 corporate bankruptcies in West Germany alone last year, and with no slowdown to be expected in the early phases of an economic upswing, increases in loan loss provisions were to have been expected. It has also been clear that some banks have been hit hard by loan write-offs.

All the major banks were involved in writing off 60 per cent of AEG-Telefunken's DM 1.8bn of debt with Dresdner Bank's losses said to be in the DM 250m range.

Shareholders in those banks, like Dresdner and Commerzbank, which cut their dividends, or had to sell assets in 1980 or 1981 to cover losses, may suspect, too, that the big increase in provisions in 1982 partly reflects the fact that the banks were unable to make adequate loan loss provisions earlier. But such factors, even when increased international lending risks are taken into account, go only part of the way to explaining the scale of the loan loss provisions.

West German banks have considerable flexibility in deciding which loans to provide against. Deutsche Bank, for example, has indicated that it is taking a much more conservative view of international lending risks than, say, U.S. banks. A West German bank can do this knowing that it can be five years before the tax authorities decide whether a provision is justified or not.

The banks must hope that the provisions they are now making will prove to be temporarily sheltered funds which ultimately end up as additional hidden reserves. In the meantime, should the world suffer more economic shocks, the provisions can be brandished as evidence of conservatism and inner financial strength—vital assets when financial confidence is in as short supply as it is today.

## WHAT THE PUBLISHED FIGURES SHOW

	Total assets	Loans	Provisions
	1982	1981	1982
	DMbn	DMbn	DMbn
Deutsche Bank	115.2	114.5	1,167.6
Dresdner Bank	112.4	111.4	1,167.6
Commerzbank	64.2	64.3	683.2
Saarländische	66.1	64.5	85.8
HypoBank	60.4	60.0	366.2
West German parent banks only, exclude mortgages			
			Verbindungs- und Hypothekendarlehen

the interest they have paid their depositors, but have reduced the rates they charge their customers, only when political and competitive pressures have become irresistible.

There is more than a grain of truth in the allegation, but it does not provide a full explanation. Having to their cost discovered only recently the importance of liability management, Frankfurt's bankers have been enjoying to the full the opportunity to make profits from managing deposits ably instead of watching the losses pile up as a result of mismanagement—the experience of many of them had from 1979 to early 1981.

Thus, while the banks will certainly have been in no hurry to pass on falling interest rates to borrowers, they have also aimed to reduce long-term fixed-interest lending and to increase the proportion of the loans which are shorter term, and have variable and higher interest rates. This has tended to improve lending margins. On the funding side, the banks have been allowing expensive longer-term fixed-interest deposits and deposit-raising instruments to run off, so keeping

background of little growth in lending.

At Commerzbank, the parent bank, assets were DM 60bn (\$27bn) at the end of 1982, lower than in 1979, when they were DM 67bn.

Weak loan demand in a sinking domestic economy, caution in turbulent international financial markets, and the burdens of stricter capital adequacy ratios brought in last year by gentlemen's agreement with the bank regulators, help to explain the slow growth in bank balance sheets. Profit consciousness has been the keynote, especially for those banks such as Commerzbank and Dresdner Bank, which suffered huge losses in 1980 as a result of ill-timed interest rate speculation in fixed rate loans. Falling interest rates have also eased this burden significantly in the past year.

part explain the profits recoveries these two in particular have reported.

The high level of new issue activity in the bond markets in a period of falling interest rates, which have reduced carrying costs and increased capital gains on bond inventories, have also added spec-

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(\$0.01 par value)

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Merrill Lynch White Weld Capital Markets Group

L. F. Rothschild, Unterberg, Towbin

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A. G. Edwards &amp; Sons, Inc.

ABD Securities Corporation

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Goldman, Sachs &amp; Co.

Lazard Frères &amp; Co.

Wertheim &amp; Co., Inc.

Thomson McKinnon Securities Inc.

Advest, Inc.

Allen &amp; Company

Daiwa Securities America Inc.

EuroPartners Securities Corporation

Kleinwort, Benson

Morgan Grenfell &amp; Co.

Banque Paribas

Wardley Investment Services Ltd

Wood Gundy Incorporated

Yamaichi International (America), Inc.

Pictet International

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## Dillingham Corporation

has become a privately owned company  
through a merger with a newly formed corporation  
owned by

## Kohlberg, Kravis, Roberts &amp; Co.

and other investors, including management members  
of Dillingham Corporation.

The undersigned acted as financial advisor to the Board of Directors  
of Dillingham Corporation in this transaction.

## Kidder, Peabody &amp; Co.

Incorporated

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V.

on 4th April, 1983, U.S. \$63.17

Listed on the Amsterdam Stock Exchange

Information: Pierson, Halding &amp; Pierson N.V.,

Herengracht 214, 1016 BS Amsterdam.

## VONTOBEL EUROBONDINDIZES

WEIGHTED AVERAGE YIELDS

PER APRIL 5 1983

	Today	Last week	Year's	Year's
USS Eurobonds	11.77	11.78	12.22	11.91
DM (Foreign Bond Issues)	7.36	7.44	7.78	7.35
HFL (Bosch) Bonds	7.72	7.78	8.07	7.43
Genl Eurobonds	13.06	13.08	13.35	12.93

J. Vontobel &amp; Co. Bankers, Zurich - Tel: 010 411 488 711

## CONTRACTS AND TENDERS

REPUBLIQUE ALGERIENNE DEMOCRATIQUE  
ET POPULAIRE

(ALGERIAN POPULAR DEMOCRATIC REPUBLIC)

MINISTRE DE L'ENERGIE ET DES INDUSTRIES

PETROCHIMIE

(MINISTRY FOR ENERGY AND PETROCHEMICAL INDUSTRIES)

ENTREPRISE NATIONALE DES TRAVAUX AUX Puits

(NATIONAL COMPANY FOR THE EXPLORATION OF OILWELLS)

NOTICE OF INTERNATIONAL CALL FOR

TENDERS No. 9014E/MF

The Entreprise Nationale des Travaux aux Puits is launching an international Call for Tenders for the supply of:

1-PNEUMATIC WINCHES GD TYPE HMKL 61281  
2-ELECTRIC WINCHES WITH STONE ELECTRIC BRAKE TYPE OC 2040 WITH ELECTRIC ENGINE  
3-SWIVELS NAT. N. 815  
4-DESANDING POOLS 12/18 " ON SKID  
5-DESANDING POOLS 12/18 " ON SKID

This Call for Tenders is intended for Manufacturing Companies only, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law No. 78-02 of 11 February 1978, with respect to State Monopoly on Foreign Trade.

Tenders interested in this Call for Tenders may obtain the specifications from the following address:

Entreprise Nationale des Travaux aux Puits—2, rue du Capitaine AZZOUZ—Cote-Rouge—Hussein-DEY—ALGER (ALGERIA)—Department Approvisionnement et Transport (Supplies and Transport Department) with effect from the date on which this Notice is published.

Offers, of which five (5) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the Secretariat of the D.A.T. (Supplies and Transport Department) at the above address, bearing on the outside envelope the words "Appel d'Offres International n° 9014E/MF confidentiel—A ne pas ouvrir" (International Call for Tenders number 9014E/MF confidential—do not open).

Tenders should be sent to arrive by Saturday, 7.5.1983 at 1200 hours, at the very latest. Selection will be made within 180 days from the closing date of this Call for Tenders.

Tenders, of which five (5) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the Secretariat of the D.A.T. (Supplies and Transport Department) at the above address, bearing on the outside envelope the words "Appel d'Offres International n° 9014E/MF confidentiel—A ne pas ouvrir" (International Call for Tenders number 9014E/MF confidential—do not open).

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REPUBLIQUE ALGERIENNE DEMOCRATIQUE  
ET POPULAIRE

(ALGERIAN POPULAR DEMOCRATIC REPUBLIC)

MINISTRE DE L'ENERGIE ET DES INDUSTRIES

PETROCHIMIE

(MINISTRY FOR ENERGY AND PETROCHEMICAL INDUSTRIES)

ENTREPRISE NATIONALE DES SERVICES AUX Puits

(NATIONAL COMPANY PROVIDING SERVICES TO OILWELLS)

DIRECTION DES OPERATIONS SPECIALES

(DIRECTORATE FOR SPECIAL OPERATIONS)

NOTICE OF INTERNATIONAL CALL FOR TENDERS

No. 001/83

The Entreprise Nationale des Services aux Puits is launching an international Call for Tenders for the supply of:

—Four (4) cementation units  
This Call for Tenders is intended for Manufacturing Companies only, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law No. 78-02 of 11 February 1978, with respect to State Monopoly on Foreign Trade.

Tenders interested in this Call for Tenders may obtain the specifications from the following address:

E.N.S.P. (National Company Providing Services to Oilwells)—Direction des Operations Speciales (Directorate for Special Operations)—2, rue du Capitaine AZZOUZ—Hussein-DEY—ALGER (ALGERIA)—with effect from the date on which this Notice is published.

Offers, of which five (5) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the Secretariat of the Directorate for Special Operations at the above address. The outer envelope should be completely anonymous, bearing no captions, and bearing on the outside envelope the words "Appel d'Offres International n° 001/83 confidentiel—A ne pas ouvrir" (International Call for Tenders number 001/83 Confidential—do not open).

Tenders should be sent to arrive by Saturday, 30.4.1983, before 1200 hours, at the very latest. Selection will be made within 180 days from the closing date of this Call for Tenders.

Tenders, of which five (5) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the Secretariat of the Directorate for Special Operations at the above address, bearing on the outside envelope the words "Appel d'Offres International n° 001/83 confidentiel—A ne pas ouvrir" (International Call for Tenders number 001/83 Confidential—do not open).

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Tenders



## UK COMPANY NEWS

## Phoenix profits tumble by £13.6m

HEAVY UNDERWRITING losses in the UK, which continued into the fourth quarter, resulted in total underwriting losses of Phoenix Assurance rising by two-thirds for 1982, from £35.4m to £58.6m, and pre-tax profits being cut by over 40 per cent, from £31.1m to £17.5m. Investment income rose from £50.8m to £71m, an increase of 17 per cent.

A lower tax charge meant that net profits fell by one-third, from £17m to £11.1m, for earnings per share of 18.3p against 27.9p. The dividend is lifted by a marginal 4 per cent to 17.5p (18.5p) by a final payment of 10.2p.

General premium income climbed 12 per cent in sterling terms from £432m to £484m, the underlying growth rate allowing for exchange rate fluctuations being 6 per cent. The underlying growth in investment income was 13 per cent and the group's solvency margin rose from 58 per cent to 67 per cent at the end of 1982.

Underwriting losses in the UK jumped from £2.9m in 1981 to £21.4m last year on premium income which improved by only

## HIGHLIGHTS

Lex today considers the gilt edged market and bank lending in the light of the money supply figures for banking in March. It goes on to look at composite insurance following the preliminary figures from Phoenix Assurance and Sun Alliance. Phoenix's 1982 pre-tax profits fell 40 per cent to £17.5m after a two-thirds jump in underwriting losses to £58.6m while at Sun Alliance profits were down a fifth to £56.8m though underwriting losses nearly doubled to £70.9m. Also examined is BP annual reports which shows a sharp increase in crude oil trading activity by the group.

7.8 per cent from £204.7m to £220.2m.

Losses on the fire and accident account climbed to £22.5m (£4.8m) from a variety of factors—the severe weather at the beginning of the year, continuing high levels of theft losses on household contents, heavy losses on the commercial property account and some increase in numbers of claims towards the end of the year on the private motor account.

Underwriting losses in the U.S. rose from £3.5m to £13.7m on an account which showed a 20 per cent rise in premium in-

come in sterling terms from £30.5m to £36.7m. The operating ratio for the year rose from 110.5 to 112.8 per cent.

Business for the commercial account remains highly competitive, but there was evidence of hardening in rates for personal lines.

The general outlook in Canada is encouraging, with underwriting losses cut from £3.9m to £3m, while premium growth in sterling terms was over 40 per cent, from £25.5m to £36.5m. Trading conditions remained difficult in Europe, with underwriting losses increasing from

£5m to £6.3m. There were signs of improvement in other overseas operations, with satisfactory results in parts of Africa, South America and the Far East and reduced losses in New Zealand.

The life operations of both Phoenix and the unit-linked subsidiary Property Growth Assurance are reported to have made good progress in the UK, while growth in New Zealand was encouraging. Even so premium income on long-term business last year was only marginal, up from £151m to £156.4m.

Phoenix Assurance has maintained its reversionary bonus rate at 5.75 per cent of the basic sum assured but has lifted its Equity Bonus—a special reversionary bonus payment—from 10 per cent to 12½ per cent of all previous reversionary and equity bonuses.

In recent years the company has been replacing its terminal bonus by the more stable equity bonus, which is immediately added to the benefits of the life policy. This fourth equity bonus declaration virtually completes the process for all but a small minority of policies.

See Lex

## £1.5m from Bruntons: lifts final to 6.25p

FOR THE YEAR 1982 steel wire maker Bruntons (Musselburgh) has held its trading profit at £1.08m, compared with £1.05m and its profit before tax at £1.5m, against £1.48m in 1981.

The dividend is stepped up from 10.17p to 10.5p net. The final payment is 6.25p, compared with the forecast of a maintained 5.92p.

Turnover for the year rose by £27,000 to £10.5m. The pre-tax figure includes stock appreciation £28,000 (£20,000), interest on investments £161,000 (£180,000) and gain on the sale of British funds £242,000 (£230,000).

The directors point out that the improvement in demand for the company's main products—wire, wire rope and steel strip—was off in the second half the turnover hardly more than equalling, and trading profit being less by 4.5 per cent than that attained in the second half of the previous year.

After a much smaller tax charge of £28,000 (£32,000), the net available balance has fallen from £1.48m to £1.11m. Earnings are shown at 13.57p, against 11.95p, after excluding reserves of £1,000 (£2,000).

Looking at the current year the directors state that growth in the first quarter is almost in line with the improved first three months of 1982, and profit for this period is likely to be at least equal.

Despite some further rationalisation and the closure of more plants in the wire, wire rope, and steel strip sectors, capacity in the UK still far exceeds demand, resulting in the continuing severe competition. However, the directors feel that Bruntons is as well placed to meet this as any other company.

Capital expenditure in 1982 amounted to £755,000 and plant ordered so far for delivery this year comes to £370,000. It is expected that a contribution to the cost of this and further capital expenditure will be granted by the Scottish Economic Planning Department.

## Christies 30% lower but has strong second half

A MAJOR improvement in the second half of 1982 enabled fine art auctioneer Christies to manage to recover much of the ground lost during the first six months.

At the pre-tax level profits for the full year emerged at £3.71m but although this was a decline of 30 per cent over 1981's £5.28m it is pointed out that first half profits fell by more than 65 per cent.

Figures for the second half at £2.6m (£2.01m last year) were more than double those of the first half and were the first improvement in a six-month period for three years.

Mr J. A. Floyd, the chairman, says the improvement has continued into the opening months of the current year and "the signs are that the art market has turned the corner".

However, he says an improvement in the world economic scene is necessary.

Although earnings per 10p share for 1982 dropped from 13.57p to 11.95p, the strong second half upturn has encouraged the directors to maintain

the dividend at 7p net—the final is being held at 8p.

Mr Floyd comments that the autumn season was 21 per cent higher than the comparable period in 1981 and an all-time record for Christies.

As a result of a strong finish to the year total auction sales at £184.7m were almost the same as those of the previous year—those of 1981 were down some 16.5 per cent at the half-way stage.

The group's decision to reduce the buyers' premium was responsible for an increase in auction sales in London. In New York Christies had its best-ever autumn auction season, as predicted in the interim report.

Group turnover for 1982 expanded from £33.95m to £35.08m and was made up as to:

commission and premium £22.72m (£27.65m); valuation and other fees £562,000 (£572,000); catalogues £1.6m (£1.38m); sale of graphics £2.03m (£1.78m); and sale of print £3.17m (£2.77m).

Pre-tax profits, including net interest receivable of £42,000 (£95,000), and an exchange gain of £302,600 (£759,000).

Tax took £2.04m (£2.38m) and

minorities £39,000 (£89,000). At year-end group net current assets are shown to have fallen from £2.28m to £2.01m. Creditors were up from £24.1m to £25.08m.

Christies was sending out an unequivocal signal yesterday that happy days are here again. Sales activity began picking up last autumn in New York, with London following suit in November. And the healthy trend has been maintained in the current year. The value of articles going through the sales rooms has increased by 18.5 per cent in the second six months, producing a similar rise in the company's turnover. With costs stable in local currency terms, pre-tax profits in the half year have risen by 30 per cent to £2.6m. Volume has changed little, but prices may have risen by some 15 per cent on average. Meanwhile, the company has been cutting variable costs by consolidating sales, and raising the quality of the items going under its gavel. The shares rose 4p yesterday to 230p, where the yield is 4.4 per cent.

## Second half fall at Coates Bros.

A FALL in second half turnover in the UK activities of Coates Brothers caused pre-tax profits for the six months to slide from £3.1m to £4.15m, leaving the figure for 1982 only slightly ahead at £8.68m compared with £8.37m.

The final dividend of this printing ink manufacturer and printer, industry supplier is being maintained at 2.42p net per 25p share making a higher total for the year of 3.42p (3.3p). Earnings per share are given as 11.17p (12.5p).

The directors say overseas turnover and profit continued to move forward in the second half and exceeded the figures both for the second half 1981 and for the first half of 1982.

Following the sale of the former head office at Easton Street there has been a reduction of £1.1m in UK borrowings and overall group borrowings

have fallen by £0.5m. In 1983 trading to date in the UK has improved but it is still too early to be confident of a sustained recovery in the UK business, the directors report. Trading in overseas markets continues at a satisfactory level.

Turnover advanced from £16.38m to £18.52m. Tax took £3.64m (£2.99m) and there were minority interests of £492,000 (£471,000) and an extraordinary debit of £58,000 (£33,000 credit).

comment The printing industry generally had a hard time of it in 1982. Nevertheless, Coates Brothers' 3.5 per cent increase in pre-tax profits was below market expectations. The company concludes that the UK side was unable to raise prices in line with over-

heads because its markets were slack. Practically all of the growth came from overseas

activities, which continued to enlarge their share of pre-tax profits to well over half of the total. This was despite the weakness of the South African economy in the second half and the damaging effect of a weak oil market on Coates' West African oil-producing customers. Indeed, the company is well placed to benefit from falling oil prices because 70 per cent of its supplies are petrochemical based. Its overseas profitability should also benefit in the current year from the weakness of sterling, leading to pre-tax profits of perhaps £3.5m. However, no underlying improvement in the group's profitability is likely until—with many other medium-sized companies in the chemical field—it can take advantage of real growth in the UK economy. The ordinary enfranchised shares rose 1p to 99p following the figures.

## J. I. Jacobs shows rise at pre-tax

A turnaround from a trading profit of £21,000 to a loss of £125,000 was announced by John I. Jacobs, shipbroker, for 1982.

But at the pre-tax and net levels, increases have been shown; and the dividend is being stepped up from 2.5p to 2.6p net, with a final of 1.5p.

The company also announces that its plan for a capital repayment has had to be dropped.

Turnover came to £12.3m (£12.2m).

Profit before tax was up from £1.1m to £1.38m, and included profit on realisation of investments £106,000 (£96,000), release of the provision for diminution in the value of investments £198,000 (debit £138,000), and association £590,000 (£497,000). Investment income came to £550,000 (£549,000).

After tax £560,000 (£582,000) the profit was £216,000 (£523,000) for earnings of 3.54p (2.27p) per share.

The decision to drop the plan for a capital reduction by a payment to stockholders was made after exhaustive inquiries. It was finally ascertained that because of the composition of the company's stockholders, the Inland Revenue would look upon such a distribution as one of income, rendering the company liable to ACT and the individual recipient liable to income tax rather than capital gains tax.

## Brammer steady at £5.67m for year

LITTLE CHANGED pre-tax profits of £5.67m against £5.64m were shown by Brammer, bearing and transmission equipment distributor, for 1982. Turnover turned from £45.03m to £55.95m.

At the halfway stage profits slipped from £2.76m to £2.67m. The net final dividend has been lifted from 3.7p to 3.9p which raises the total from 5.7p to 5.9p. Net earnings per 20p share are given as moving down from 12.4p to 11.6p.

Market presence has been maintained, says Mr John E. Head, chairman, and trading margins reasonably well preserved.

A breakdown of turnover shows that the UK, France and West Germany contributed £47.79m (£41.73m) and the U.S. £8.17m (£3.3m). Trading profits were split as to UK, France and West Germany £4.67m (£4.6m) and the U.S. £1.00m (£0.70m). Tax came to £2.45m (£2.46m) and after extraordinary debits last time of £191,000, attributable profits emerged ahead from £2.99m to £3.25m.

comment Brammer's UK operations have again held up reassuringly, despite a further tightening in the

group's major markets. The operational emphasis on service and distribution has insulated domestic activities from the chillier winds of the recession, while increases in market share and a broadening product base have compensated somewhat for the tough trading conditions. U.S.-based activities have proved less resilient. Pope Machinery broke even after being hit by a 65 per cent volume decline in the machine tool sector, though Pope's own sales reduction was well below the sector average. The movement into specialised spindles should improve profitability and reduce the exposure to vicious cyclical swings in the general machine tool market. A first-time contribution from Master Pumps added roughly \$800,000 to overall trading profits, but activities here were adversely affected by cost-cutting in the oil production industry and one-off costs stemming from an extension in the distribution network. This year could see strong percentage growth in the U.S., but advances at home are likely to remain modest. The unsurprising results nonetheless sent the share price up 12p to 138p, where it has some support on a yield of 6.3 per cent.

## Yearlings total £16.25m

Yearling bonds totalling £16.25m at 101 per cent redeemable on April 11 1984, have been issued this week by the following local authorities:

Dunfermline District Council £1m; Hackney (London Borough of) £2m; Medway Borough Council £0.25m; St. Helen's Metropolitan BC £0.5m; Tyne & Wear County Council £2m; Rochdale Metropolitan BC £0.75m; Walsby DC £0.25m; Glasgow (The City of) DC £3m; Southwark (London Borough of) £1.5m; Hart DC £0.25m; Kensington and Chelsea (Royal Borough of) £0.5m; Oldham Metropolitan BC £1.5m; Bournemouth (Borough of) £1m; Epsom & Ewell (Borough of) £0.25m; Sheffield (City of) £1m; Waltham Forest (London Borough of) £0.5m; Greenwich (London Borough of) £0.25m.

Kings Lynn & West Norfolk (Borough Council of) has issued £0.5m of 11½ per cent bonds at par for redemption on April 2 1986.

Basingstoke & Deane BC and Kettering BC have issued £0.5m and £0.25m respectively of 11 per cent bonds at par redeemable on April 3 1986.

## Fothergill lower and payout cut

ALTHOUGH TRADING profits were maintained at £2.31m, pre-tax results of Fothergill & Harvey for 1982 came out lower at £1.48m, against £1.77m, after a second-half downturn from £1.04m to £0.68m.

The final dividend is being reduced from 5p to 3.25p, leaving the total payment 1.79p lower at 5p net per 25p share. Earnings per share declined from 10.05p to 7.2p.

The directors report that there has been some recovery in the order position in the first three months of this year, but this is a repeat of the events in the first few months of 1981 and 1982, and does not, as yet, constitute tangible evidence of any permanent recovery.

Their plan is to return to a growth pattern and restore the dividend and, given the opportunity, they say the group is in a position to succeed.

The year's profits before tax were broken down as to: advanced materials processing £100,000 (£153,000); electrical insulation £545,000 (£753,000); coated and uncoated engineered fabrics £1,064,000 (£933,000); associates' losses £154,000 (£6,000), and interest paid £29,000 (£52,000 received).

Attributable profits declined from £1.24m to £0.72m, after a tax charge of £268,000 (£265,000), minority credit of £1,000 (£24,000) and extraordinary debits of £168,000 (£115,000 credit) being redundancy costs.

Turnover rose from £19.16m to £22.15m, but this increase arose mainly from the inclusion of a full-year's trading from R. D. Symons and Co. (37 weeks in 1981) and Fothergill Composites Inc. (26 weeks) and also six months' trading of the new acquisition, Montgomery Plating Company.

The directors say that in 1982 the level of order intake which had declined in the third quarter did not improve and further contractions became necessary before the year end.

## comment

Fothergill and Harvey's resilience during the recession has been due partly to its early diversification away from its traditional textile trade into more specialised and exotic fields. But in 1982 the profitability of the woven fibres division held steady while the production of carbon fibres and other advanced composite materials has suffered from a sharp downturn in world aircraft production and a lack of

government funding for development in aerospace. In the first quarter of 1982, the company management reports some improvement in sales of the metals treatment division and coated fabrics have marked up further improvement in their profits growth in 1982. But the electrical insulation division is still looking for signs of recovery. With the rationalisation programme being brought to a conclusion, the 1,000-strong workforce was cut by another 130 in 1982, although the acquisition of Montgomery Plating Company brought in a similar number of employees.

But no further rationalisation measures are planned and, apart from considerable investment in developmental work, Fothergill's corporate strategy for this year appears to be limited to consolidation and hopes for a sustained economic recovery. Despite the deficit after extraordinary items, on an inflation-adjusted basis, the dividend has been cut by only 22.8 per cent to give a yield of 7.4 per cent against yesterday's price of 118p (down 6p).

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## Better start by Steelley

IN HIS last annual statement as chairman of Steelley, the diversified minerals, construction materials and chemicals group, Lord Boardman members that 1982 has opened well with improved results.

Last year, pre-tax profits fell sharply from £17.7m to £9.35m. Almost all the reduction was attributable to North America, where operating profits declined by some £5.7m—and to Australia—profits down £1.4m. The UK contribution was at a similar level.

Lord Boardman states that in both the UK and North America there are encouraging signs of economic upturn. The rationalisation measures carried out over the past two years have produced, he says, a group equipped and capable of benefiting from these more favourable conditions.

During 1982 the group closed a number of plants and disposed

of most of its Australian chemical business. The effect of these actions gave rise to net extraordinary charges of some £4.2m.

The accounts were printed before the announcement last week of a contested £15.6m all-share offer from Hepworth Ceramics. The Steelley board said the offer was unwelcome and it considered the terms to be totally inadequate. Shareholders were advised to take no action.

A full response will be sent to shareholders, when the formal offer document has been received and considered by the board—which is being advised by S. G. Warburg and Co.

In the meantime to avoid any change in the leadership of the company taking place during the currency of the offer, Lord Boardman has brought forward his previously announced retirement as chairman, from April 28, 1983 to April 5.

## Arthur Wood £41,000 in black

Although half-time losses were up from £34,300 to £51,380, earthenware manufacturer, Arthur Wood & Son (Longport) finished 1982 in the black with a pre-tax surplus of £40,747, as against a £29,510 deficit previously.

After a one year absence the company is returning to the dividend list with a net payment of 0.5p per 5p share—the last distribution was 1p in respect of 1980.

At the trading level, the company made a profit of £62,000 (£39,978 loss), which was struck by a severe investment income of £13,746 (£11,498) and an exceptional debit of £35,000 this time.

The exceptional items are made up of the amount written off in respect of estimated losses incurred over several years by misappropriation of funds, discovered by the auditors after the balance sheet date. Appropriate action has been taken by management.

## Granville &amp; Co. Limited

(formerly M. J. H. Nightingale & Co. Limited)

27/28 Lovat Lane London EC3R 9EB Telephone 01-621 1212

## Over-the-Counter Market

1982-83	Company	Price	Change	Gross Yield	P/E	Fully Paid
High 100	Ass. Btfl. Ind. Ord.	139	-	10.0	8.7	7.8
158 117	Ass. Btfl. Ind. Ord.	139	-	10.0	8.7	7.8
74 57	Airprung Group	62	-	8.1	9.8	17.7
46 51	Armstrong Rhodes	62	-	4.3	13.9	3.6
314 197	Bardon Hill	137	-	11.4	12.4	15.1
137 100	CCL 115p Conv. Pref.	137	-	15.7	11.5	—
270 210	Cinder Group	137	-	17.4	10.4	—
96 52	Deborah Service	92	-	6.0	11.5	3.4
54 77	Frank Hensell	94	+2	—	—	7.8
102 75	Frank Hensell Pref. 87	94	+2	8.4	10.3	11.0
83 67	Frederick Parker	62	-	7.1	11.5	3.9
55 34	George Blair	34	-	7.3	9.4	10.0
112 14	Granville Precision	28	-	7.3	9.4	10.0
158 100	Isis Conv. Pref.	156	-	15.7	10.1	—
143 94	Jackson Group	142	-	7.5	8.3	4.4
122 11	James Burrows	20	-	9.6	14.7	16.4
260 148	Robert Jenkins	148	-	20.0	13.5	1.6
63 54	Scruttons "A"	68	-	5.7	8.3	10.8
112 112	Toddy & Cavallia	112	-	10.2	8.0	—
28 21	Unilock Holdings	25	-	0.46	1.8	—
55 45	Walter Alexander	65	+3	8.4	8.8	4.6
25 214	W. J. Teague	105	-	7.7	10.6	4.0

## Public Works Loan Board rates

Years	By EFT	As maturity	Non-quota, loans repaid at	By EFT	As maturity	At maturity
Up to 3 months	10½	10½	11½	12½	12½	12½
Over 3, up to 4 months	11	11½	11½	12½	12½	12½
Over 4, up to 5 months	11½	11½	11½	12½	12½	12½
Over 5, up to 6 months	11½	11½	11½	12½	12½	12½
Over 6, up to 7 months	11½	11½	11½	12½	12½	12½
Over 7, up to 8 months	11½	11½	11½	12½	12½	12½
Over 8, up to 9 months	11½	11½	11½	12½	12½	12½
Over 9, up to 10 months	11½	11½	11½	12½	12½	12½
Over 10, up to 15 months	11½	11½	11½	12½	12½	12½
Over 15, up to 25 months	11½	11½	11½	12½	12½	12½
Over 25 months	11½	10½	10½	11½	11½	11½

\* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

## SUN ALLIANCE INSURANCE GROUP

SUN ALLIANCE AND LONDON INSURANCE plc

The audited results for 1982 are as follows:

	1982	1981
Premium Income	£m	£m
General Insurance	759.9	703.6
Long-Term Insurance	208.0	177.3
	967.9	876.9
General Insurance Underwriting Result	(70.9)	(36.5)
Long-term Insurance Profits	7.0	6.1



## UK COMPANY NEWS

## UK recovery helps Sun Alliance

A STRONG second-half recovery in the UK enabled Sun Alliance and London Insurance to make up much of the ground lost in a disastrous first half of last year. As a result, pre-tax profits for 1982 finished one-fifth lower at £56.5m against £70.9m, even though underwriting losses nearly doubled from £38.5m to £70.9m. Investment income showed an 18 per cent advance from £101.1m to £119.5m, while profits from long-term business climbed 15 per cent to £7m.

The decline in attributable profits was less than 14 per cent at £38m against £41.8m with an earnings per share of 7.8p against 8.4p. The dividend is raised from 4.3p to 4.8p with a final of 28.5p.

General insurance premium income last year climbed from £700m to £720m, the underlying growth allowing for exchange rate fluctuations being 6.8 per cent.

Long-term insurance premiums rose from £173m to £206m, the underlying margin rose to 11.2 per cent at the end of the year, benefiting from rising stock markets.

The Sun Alliance recorded an underwriting loss of £64m on its UK business in the second half, despite keen competition from other insurers.

The Norwich Union Insurance Group has launched a new streamlined insurance policy for publicans called 'Pub Plus'. It includes underwriting a single package all the insurance cover normally needed by the average public house, inn, or wine bar where sleeping accommodation is for not more than six paying guests.

The policy is divided into two parts. The first provides standard compulsory cover for the contents of the pub—its stock, trade, furniture and fittings, consequential loss, money loss, glass cover, food spoilage and legal liability. The second part provides optional cover for such items as the buildings, loss of licence and loss or damage to gaming amusement and vending machines.

The Norwich Union has also kept the premium structure to a simple format and there are three rating areas—the highest rated special areas comprising London and the major cities, Northern Ireland, and the remaining non-special areas of the UK.

The annual premium for a country pub with standard cover of £20,000 worth of contents and £40,000 loss of profits would be £185.

## DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding dividend	Total last year
A. Beckman Int.	1.95	June 6	1.95	5.73
Brammer	3.9	June 2	3.7	5.7
Brumfitt	1.25	April 29	5.92	10.17
Christies Int.	2.42	May 28	5	7
Coates Bros.	3.25	July 1	2.42	3.3
Fothergill & Harvey	1.9	May 27	1.6	2.3
John L. Jacobs	10.2	July 1	9.5	17.5
Phoenix Assurance	4	May 13	3.4	4.7
Rubert	1	July 5	0.25	0.75
Sun Alliance	1.25	May 31	1.1	4.5
TS City of Lond. Srd Int.	0.5	July 15	0.5	1.5
Trident Compagnie Int.	3	June 1	2.1	5.1
York Wood & Son	0.5	—	Nil	0.5

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡US\$ Stock.

beginning of the year. This left underwriting losses in 1982 at £12.5m, against an underwriting profit of £7.6m in 1981. However, business in the UK remained static—the premium growth in the household insurer in Britain being severely affected by the adverse winter weather at the

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suffered from the current problems of medical malpractice insurance in that country. A near \$5m injection to strengthen reserves for this business played a large part in sending underwriting losses up from £4.4m to £11.4m.

Underwriting losses in Canada rose slightly in sterling terms from £6.6m to £7.2m, but there was an improvement in dollar terms with a recovery in the second half mainly in the automobile account. However, business suffered from an exceptional number of major fire losses.

Underwriting losses in Australia were cut from £16.3m to £10.1m, with the measures to reduce exposure in workers' compensation business paying off. The group, however, had to further strengthen reserves.

Market conditions in Europe remained highly unsatisfactory and underwriting losses more than doubled from £3.4m to £11.1m, with losses in almost all countries. The group's reinsurance business was severely affected by the difficult conditions in worldwide reinsurance markets and losses climbed from £4.9 to £14.2m.

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## Anvil Petroleum rights to raise £1.3m

By Dominic Lawson

OIL AND GAS exploration group, Anvil Petroleum, yesterday announced a rights issue to raise £1.3m. At the same time it reported a net profit of £227,000 for the first half to December 31, 1982, against losses of £55,000 in the comparable period.

The issue is on a one-for-one basis at 35p. Certain major shareholders, holding about 45 per cent of the equity have already agreed to take up their rights.

A further issue for cash at 35p per share will be made to Finance for Industry (FFI) sufficient to ensure that its holding after the issue is at least 1m shares. FFI and Keweenaw have underwritten the balance of the issue.

The main reason for the issue is to finance exploratory drilling in the UK and the U.S., which is expected to cost £2.5m in the rest of 1983 and 1984.

Turnover for the six months was £237,000 (£233,000). Net income came to £21,000 (£25,000), after depletion, depreciation and amortisation of oil and gas properties of £174,000 (£189,000). The pre-tax losses were after interest and other income receivable of £60,000 (£142,000). Tax took £5,000 (£81,000) making losses of £222,000 (£126,000) before a share dividend credit of £142,000. Deductible share is given as 7.8p (3.4p).

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## MINING NEWS

## Westmin plans big mine on Vancouver Island

BY GEORGE MILLING-STANLEY

CANADA'S Westmin Resources has decided to go ahead with the \$225m (\$125m) development of the big H-W base and precious metals deposit, discovered in 1979. The mine should be in production by late next year.

The deposit is at Campbell River on Vancouver Island, British Columbia, in the same area as Westmin's three other mines, the Lynx, Myra and Price, reports John Sogatzich in Toronto.

The H-W orebody is the most significant massive sulphide development in Canada since Kidd Creek's discovery near

Timmins, Ontario, in 1983, Westmin's directors believe. Reserves are put at 15.2m tons, grading an average of 0.07 oz (2.18 grammes) of gold and 1.1 oz (34.1 grammes) of silver per ton, 2.2 per cent copper, 0.3 per cent lead and 5.3 per cent zinc.

These estimates are based on ore within about 100 ft of individual diamond drill intersections. Reserves would be sufficient for 15 years of operation at a rate of 1m tons a year.

Mr Gordon Montgomery, executive vice president and general manager of Westmin's mining division, pointed out, however, that there are numerous mineralised areas extending beyond the

proven blocks into other parts of the property, and these could extend the life of the mine until "well into the next century."

The development programme includes the construction of a new 3,000-ton, per day concentrator to replace the 1,000-ton facility which is currently treating ore from the three small mines nearby.

About 65 per cent of the total capital cost of \$225m has already been spent, mostly on the sinking of a shaft which should reach its planned final depth of 2,500 ft early in the second quarter of this year.

Westmin Resources is owned as to 61 per cent by Brascan.

## International round-up

ALTHOUGH THERE has been a considerable improvement in operating performance at the Agnew and Teutonic Bore mines, Australia's Selstrut was criticised for a significant recovery in metal prices to achieve profitability, the latest annual report states.

This recovery and a strengthening in demand for iron ore, which will help the Mount Newman mine, are in turn dependent on a worldwide economic recovery, according to Mr A. D. Laphroth, chairman.

Selstrut, in which British Petroleum has a 75.3 per cent interest, lost a net \$58.34m

(\$4.9m) in 1982, a big improvement on the previous year's \$515.8m deficit.

Conoco, part of the Du Pont group of the U.S., has sold its stake in a joint venture to develop an underground uranium mine in New Mexico. The terms of the deal have not been disclosed.

As the operator for the venture, Conoco had drilled three shafts on the 1,120-acre property before mine construction was suspended in July 1981, owing to the fall in uranium prices and delays in nuclear power programmes.

The buyer of Conoco's interest was its partner in the venture,

Wyoming Mineral Corporation, a subsidiary of Westinghouse Electric, which now has full ownership.

An exploration programme in south-western Zimbabwe conducted by Cluff Mineral Exploration (Zimbabwe) has outlined new gold and three base metal occurrences, according to the company's UK parent, Cluff Oil.

Gold grades ranging up to around 6 grammes per tonne have been encountered, while the base metals found include copper, lead, zinc and antimony.

## Australian policy on uranium attacked

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE ATTITUDE of Australia's new Labor Government towards uranium mining has been criticised yesterday by Mr Paul Everingham, Chief Minister of the Northern Territory.

In a bitter attack on what he called the new government's "ambivalence" towards uranium developments, Mr Everingham said: "If the anti-uranium lobby wins the argument, we can kiss goodbye to ASIO (ASIO) in investment and hundreds of permanent jobs."

Two of Australia's lost promising uranium prospects, Pancontinental's Jabukna and Denali's Koongarra, are in the

Northern Territory, but neither seems likely to meet current Labor guidelines and controls on the mining and export of uranium.

Mr Bob Hawke's government has not yet spelt out in detail its long-term position on uranium developments, but last month, the state government of South Australia, with the support of the federal government, refused permission for the development of the Honeycomb and Beverley projects.

Labor is believed to favour a "sequential" policy for uranium development—a policy in which one mine is developed at a time.

It is the Government's view that Australia will need only one new uranium mine in the next 10 years, and this now seems certain to be the huge copper, gold, silver and uranium deposit at Olympic Dam in South Australia.

This mine is likely to produce about 3,000 tonnes of uranium oxide a year once it is in production.

Mr Everingham is expected to bring up the plight of uranium development in the Northern Territory at next week's economic summit meeting between the federal government, employers and unions in Canberra.

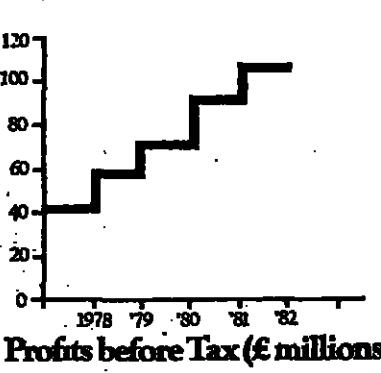
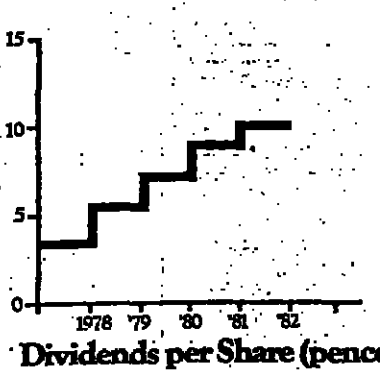
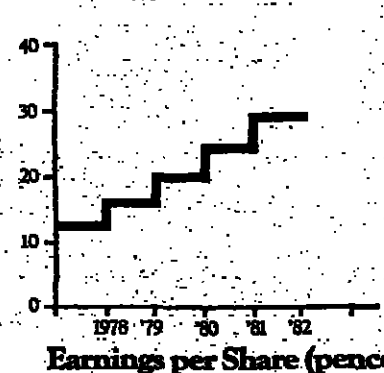
## This is BTR

**Our purpose** Growth is our objective, profit is our measure, security is the result.

**Our markets** The industrial, service and distribution demands of the world.

Our profit base	1978	1982
The UK and Europe	69%	49%
The Americas	17%	32%
Rest of the World	14%	19%
	100%	100%

## Our 5 year record



**Our size** Our Stock Market capitalisation in April 1983 is in excess of £1,000 million. We are a constituent of the F.T. Ordinary Share Index.

**Our belief** The creation of wealth is the ultimate measure of the effectiveness of our work.

**That's BTR**

BTR plc, Silverdown House, Vincent Square, London SW1P 2PL. 01-834 3848.

## Orderly start for Datastream

First day dealings in the shares of Datastream got off to an orderly start yesterday, in contrast to some other recent issues. Last week Datastream's financial advisers set a striking price of 22.5p, after the tender offer of 18p had been oversubscribed nine-fold.

Yesterday morning the shares started life at 22.5p, and rose steadily to close at 24.5p, capitalising the company at £22.2m. The closing price represented a premium of 7.5 per cent over the striking price, and Lazard director Mr Marcus Agius said yesterday: "That is just the sort of start we had hoped for."

Mr Agius added that about 20 per cent of the issue had been turned over in the first half hour of dealing, compared with 50 per cent in one or two other recent new issues.

One of the jobbers dealing in the shares said yesterday: "Business has been fairly brisk but not frenzied. There has not been much trading."

It was partly to avoid some of the staggering excesses evident in the scramble for shares in Superdrug and in Associated British Ports that a tender offer was adopted for the Datastream issue.

The tender method of flotation had been in bad odour in the City because the last time it was used for a new issue was for Britoil, which resulted in over 70 per cent of the issue being left with the underwriters.

Ironically, yesterday also marked the closing date by which all who received Britoil shares in last November's offer were required to pay up the second instalment of 118p, which was a broker involved in the flotation of Britoil said yesterday "only a minute percentage of the second instalments have not yet been paid for."

But two more reminders will be sent out before the shares are forfeited. Yesterday the fully paid-up Britoil shares gained 7p to close at 188p. That gain is seen as the benefit of the ending of uncertainty regarding the call. At that price the shares are at a discount of 12 per cent to last November's striking price.

**LADBROKE INDEX**  
based on FT Index  
625.5 (4.9)  
Tel: 01-493 5261

**N.A.V. at 31.133**  
US\$4473 (Dfs 122.25)  
(unaudited)  
**VIKING RESOURCES**  
INTERNATIONAL  
N.V.  
NPO Plaan  
Holding 8 Plaan N.V.  
Havenrecht 214, Amsterdam

## Phoenix Assurance plc

## PRELIMINARY RESULTS FOR 1982

The following is a summary of the consolidated results for the year ended 31st December 1982, subject to audit. Full accounts for the year have not yet been delivered to the Registrar of Companies. The results of principal associated companies are now included and comparative figures are restated accordingly.

	1982 £m
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## TRANSALPINE FINANCE HOLDINGS S.A.

US\$25,000,000 6½% Loan 1983  
FINAL REDEMPTION

Transalpine Finance Holdings S.A. announces that for the redemption period ending on 30th April 1983 it has purchased and cancelled Bonds of the above Loan for US\$2,000,000 nominal capital and tendered them to the Trustee.

Notice is accordingly hereby given that all the outstanding Bonds of this Loan, amounting to US\$2,188,000 nominal capital, will be redeemed at par on 30th April 1983, from which date all interest thereon will cease.

These Bonds may be presented at the offices of the paying agents (set out on the reverse of the coupon) in the manner specified in Condition 5 of the Terms and Conditions of the Loan printed on the Bonds, for repayment of the principal and for payment of interest due against Coupon No. 16 dated 30th April 1983.

Principal Paying Agent:  
N. M. Rothschild & Sons Limited  
New Court  
St. Swithin's Lane  
London EC4P 4DU

7th April 1983

## Hill Samuel buys retail network in £5m deal

By Alan Friedman, Banking Correspondent

Hill Samuel is planning to establish a national retail insurance network through the acquisition, for just under £5m, of the Bristol-based Hill House motor and household insurance broker. Negotiations are believed to be at an advanced stage for the business, which includes 30 branches in the UK and a client-base of 150,000 customers. The Hill Samuel group already operates in personal insurance broking through its Lowndes Lambert subsidiary, but this made after-tax loss of £528,000 in the year to March 1982. Lowndes Lambert is a personal insurance specialist, but lacks a retail branch network (it has 10 commercial branches). The new acquisition could provide the base for a household-motor insurance business with access to High Street customers, particularly in the west of England.

## GEI makes first move into U.S. with £2m purchase

BY DAVID DODWELL

GEI International, the engineering and packaging group, yesterday revealed that it had bought Metramatic Corporation of the U.S. for \$3m (£1.99m). Metramatic, which makes equipment for the packaging industry, is GEI's first U.S. acquisition. The deal is to be financed by a U.S. term loan, even though GEI is cash-rich. The deal comes after six months of talks with Metramatic. A second U.S. acquisition is possible before the end of 1983, chairman Mr Thomas Kenny said yesterday. This would also be in the packaging sector. GEI earned pre-tax profits of £40,000 for the six months to September 30 1982 on a turnover of £26.4m. This compares with

profits of £777,000 in the comparable period of 1981, on a turnover of £24.4m. With profits on the company's steelmaking side depressed, packaging has assumed increasing importance at GEI. It accounted for about 20 per cent of overall sales last year, and almost 40 per cent of profits.

The U.S. acquisition is intended to strengthen the group's packaging interests by extending into a new and complementary area. Metramatic makes and markets high speed check weighers, metal detectors and line dividers for use in production line packaging. Pre-tax profits for the 11 months to January 31 1983 amounted to \$400,000.

It is also aimed at capitalising on Metramatic's technological expertise in an industry that is developing rapidly into new techniques. The present management of Metramatic have agreed to stay with the company.

At present, GEI has just one overseas packaging operation, in Belgium. Other overseas interests stretch from South Africa and Australia to Canada, but are all linked with steel and engineering.

Mr Kenny said GEI chose to fund the purchase by raising a loan in the U.S. because of the current weak position of sterling against the U.S. dollar. The company's liquid assets in March last year amounted to £5.7m.

## Carlton Comms. buys 51% of IVC (UK)

Carlton Communications, the video, photographic, film-making and financial publications group, yesterday announced it has acquired a controlling stake in the UK subsidiary of International Video Corporation (IVC) of California.

Mr Michael Green, chairman of Carlton, said his company had bought 51 per cent of IVC (UK), with the remaining 49 per cent being taken up by existing management and a private company with linked interests. The total sale price of the company is \$400,000.

The new company, to be named IVC-Carlton, will continue its business of making

picture stabilisers, called "time-based correctors," for videos. Of particular interest to Mr Green was IVC's new Gemini product range, due for release soon.

On a turnover of £1.5m in the year to July 31 1982, IVC (UK) achieved pre-tax profits of about £27,000. In contrast, the U.S. parent, which makes video recorders, has undertaken to be facing difficulties. A pressing need for cash was a prominent reason for the sale.

Carlton Communications, which won a full stock market quotation in February following a takeover of Fleet Street Letter, has been a user of IVC's products for some time.

## ITT takes STC shares in sale of UK interests

BY RAYMOND SNODDY

International Telephone and Telegraph (ITT) of the U.S. has decided to take shares rather than cash for the sale of its UK Telephones and Cables (STC). Last month STC announced plans to pay £21.7m cash and assume \$4.5m in debt for an ITT semi-conductor company, a computer systems business and a consumer electronics company.

STC said yesterday that ITT had decided to ask for shares instead in payment. STC has issued 10m ordinary 25p shares worth £2.5m. Under the original deal the ITT stage in STC would have fallen from 35 per cent to one-third. The new share issue increases the ITT marginally to 35.4 per cent.

STC yesterday welcomed ITT's decision to take shares instead of cash and a statement that it

does not intend to sell any of its stake in the UK company.

STC has also decided to buy only part of the consumer electronics division of ITT. It will go ahead with the purchase of Telebank TV Rental, a rental company strongest in the north of England. But it has decided not to buy the television, radio and audio manufacturing unit at Basildon because STC believes it is too closely integrated into ITT's European manufacturing operations.

The largest part of a twin deal announced by STC last month—the acquisition of International Aeradio, the high technology subsidiary of British Airways—has gone ahead as planned. The acquisition of 98.9 per cent of the shares of IAL has now been completed.

## Garton plans to call EGM to identify shareholders

Garton Engineering, Birmingham nut and bolt manufacturer, plans to call an extraordinary meeting in the near future to press anonymous shareholders to reveal themselves, or face disenfranchisement.

The move comes because of steady buying of the company's shares by an undisclosed group. STC has expressed fears that the group may be acting in concert to mount a bid for Garton.

The first group to emerge was represented by Ionian Securities. Since October, Ionian has built up a stake of more than 11 per cent in Garton. More recently stockbrokers Raphael Zorn have built up a 6 per cent stake on behalf of clients acting in concert. All efforts by the Garton board to identify the bidders have failed.

Fears of a takeover approach were first aroused late last year. This prompted Mr Anthony Garton, the company's chairman, along with family members and trusts, to build up a 28.9 per cent stake in the company.

Garton's performance over the past two years has been depressed, in line with much of Britain's engineering industry, making it vulnerable to a bid. Pre-tax losses for the year to December 31 1982 were £28,000, on a turnover of £10.8m.

These figures nevertheless imply signs of recovery. Losses in 1981 stretched to £534,000, on a £9.7m turnover. This is thought to have increased the possibility of an opportunistic bid.

A spokesman said yesterday

that following the family purchase of shares late last year, it was virtually impossible to a successful bid. Recent purchases may therefore have been aimed at investment in a recovering company. In case this is not so, the company feels it needs to remove the shelter sought by some of its shareholders in nominee names.

## HABIT PRECISION ACQUISITION

Habit Precision Engineering has acquired Precision Abrasives of Lichfield, Staffs, from Warrne, Wright and Rowland, part of the Benjamin Priest Group. Precision Abrasives makes industrial diamond products similar to those manufactured by Habit's subsidiary.

The total consideration is £90,000 satisfied by the issue of 140,000 new Ordinary Habit shares. These shares have been placed subsequently with a number of investors, on behalf of the vendors.

The latest accounts of Precision Abrasives show net tangible assets of £45,524. A loan due to the parent company of £50,951 has been assigned to Habit for a nominal consideration. In the past two years Abrasives has made losses of £10,000, £15,000 and £20,000 respectively.

The acquisition will provide Habit Group with a useful production and sales base in the West Midlands and additional £200,000 per annum.

## J. Smurfit buys 50% of Diamond Match

The Jefferson Smurfit group has bought one of its holding companies, agree to buy a 50 per cent interest in Diamond Match, an affiliate of Diamond International.

Consideration is \$1.25m (£828,000) together with a note guarantee of a further \$1.25m. Total valuation of the business is \$18m and is mainly financed by non-recourse borrowings charged against the assets of the business. Diamond group will continue to own 20 per cent of the business, the balance being held by other parties.

Diamond Match produces wood and book matches. Turnover is \$40m and pre-tax profits have been in the \$3-4m range.

## Lloyd's broker plans for USM

Derek Bryant Group, whose main subsidiary, Bryant Insurance Brokers, is approved by Lloyd's to produce insurance business for the Lloyd's community, is seeking a listing on the United Securities Market.

A placing of 600,000 shares is expected to be announced later this month.

The group, which was founded in 1970, is understood to be planning the placing to expand its capital base which will assist in the broadening of its business in the U.S.

Derek Bryant intends to strengthen its direct representation in the U.S., where it has a subsidiary office established in South Carolina dealing with re-insurance business and servicing the groups existing insurance clients.

Derek Bryant is also planning to expand the business.

## BEATSON CLARK

Main points from the Statement by David B. Clark, Chairman and Managing Director

★ Increased sales and pre-tax profits despite difficult trading conditions.

★ Commencement of a four-year capital development programme further to modernise production facilities at both glassworks, to reduce operating costs and to improve profitability. Including normal furnace repairs, this programme to involve expenditure of about £5 million per year.

★ Exports, though depressed in the first half, showed an improvement towards the end of the year. Exports likely to be the source of increased business volume in 1983.

★ Increased price competition at home may be offset by the current trends in energy prices and the gradual increase in economic activity.

★ Final dividend recommended of 5.7p per share, making a total of 9.0p per share for the full year.

The year at a glance	1982 £'000	1981 £'000
SALES		
Home	21,981	20,816
Export and overseas	6,702	7,328
	28,683	28,144
PROFIT		
Trading profit before depreciation and bank interest	4,592	4,438
Depreciation	2,156	2,003
Operating profit	2,436	2,435
Interest payable	79	95
Profit before taxation	2,357	2,338
Taxation	923	700
Profit after taxation	1,434	1,638
Interim dividend already paid	187	170
Proposed final dividend	323	312
Profit retained in the business	924	1,156
Earnings per share	25.3p	28.9p
Dividends per share		
Interim	3.3p	3.0p
Proposed final	5.7p	5.6p

For a full copy of the Report and Accounts write to: The Secretary, Beatson Clark plc, 23 Moorgate Road, Rotherham, Yorkshire S60 2AA.

## BAILLIE GIFFORD JAPAN EXEMPT FUND

### Investment Expertise

Baillie Gifford have been investing in Japan for the last 20 years. Over that time we have built up an enviable level of expertise. We have now over £90 million of funds invested there with particular emphasis on the high technology industries which hold the most promise. Our specialists interview Japanese companies frequently and keep in touch with technological developments on a global basis.

### Japan

Today, Japan is at the forefront of world technology in a number of fields including robots, machine tools, consumer electronic products, fibre-optical communications and semi-conductors. It is concentrating its research in areas which will be vital for the future such as biotechnology and advanced computers. Some of the advances made will occur in small domestic companies not well known outside Japan.

### Smaller Companies

The Japanese stock market offers the opportunity for the investor to obtain exposure to existing high-technology and to potential advances that will occur. However, investment in smaller Japanese companies needs a high degree of specialist skill.

### Launch Offer

Open only to approved Pension Funds and Charities. From the 5th to the 8th of April, Units in the new Baillie Gifford Japan Exempt Fund will be offered at a fixed launch offer price of 100p. The next valuation date thereafter is Wednesday 13th April. Application forms for units can be obtained from the Managers, Baillie Gifford & Co Ltd, at 3, Glenfinlas Street, Edinburgh EH3 6YY. Tel: (031) 225 2581. Telex 72310 BGCO G.

タイリー・ギフォード

We have chosen to launch this new trust now for the following reasons: Although the Yen has been one of the strongest currencies recently Japan's low rate of inflation relative to other countries has allowed it to appreciate without any loss of competitiveness. Falling oil prices should further enhance the Yen's attractions. The Japanese economy has performed much better than Britain's or the United States' over the last three years. The rate of inflation is under 3% and interest rates are low. Now there are signs that business activity is improving and Japan should continue to grow faster in the next few years. However investors are reminded that the price of units and the income from them can go down as well as up. The Baillie Gifford Japan Exempt Fund enables qualified investors to gain exposure to both the Yen and attractive medium and smaller Japanese companies via the management expertise of Baillie, Gifford & Co.

### Additional Information

The investment objective of the fund is to invest in Japanese companies (and companies associated with Japan) with good prospects in order to achieve above average capital growth. So the yield will be low, initially an estimated 0.5% gross.

It is anticipated that a high proportion of the investments will be in small and medium sized companies with an emphasis on sophisticated manufacturing industries. Distributions of income are made annually on the 31st of March. The first distribution will be made on the 31st of March 1984.

The fund is an authorized unit trust available only to approved pension funds and charities. Units can be dealt in on the second and fourth Wednesdays of every month. The Managers are permitted to add an initial charge not exceeding 5% out of which commission is payable to recognised agents. (Rates available on request.) The initial charge may be waived in the case of large

applications. The annual administration fee is 0.6% (+VAT) of the value of the fund but, should the managers subsequently wish to increase the charge, they will give Unitholders 3 months written notice in accordance with the provisions of the Trust Deed. The Trust Deed permits an annual charge of up to 1.5% (+VAT).

Contract notes will be issued and unit certificates will be provided within six weeks of payment. To sell units endorse your unit certificate and send it to the managers. Payment will normally be made within seven working days of the following valuation date.

Prices and yield can be found daily in the Financial Times. Trustees: The Royal Bank of Scotland plc, 42 St Andrew Square, Edinburgh, EH2 2YE. (Registered Office) Reg No. 46419.

Managers: Baillie Gifford & Co Ltd, 3 Glenfinlas Street, Edinburgh, EH3 6YY. (Registered Office) Registered in Scotland No. 66824.

## COMPANY NOTICES

### SOCIÉTÉS RÉUNIES D'ÉNERGIE DU BASSIN DE L'ESCAUT SOCIÉTÉ ANONYME

(Incorporated under the laws of the Kingdom of Belgium)

#### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held on Monday, 25th April, 1983 at 11 a.m. at the Registered Office of the Company, Mechelsesteenweg 271, Antwerp, Belgium.

- 1 To receive the Reports of the Board of Directors, the "College des Commissaires," and the Company Auditor.
- 2 To approve the Balance Sheet, Profit and Loss Account and the appropriation of profits for the year ended 31st December 1982.
- 3 To give discharge to the Directors and "Commissaires."
- 4 To elect Directors and "Commissaires."

#### RESOLVED EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of the Company which was to have been held on Tuesday, 12th April, 1983, will now be held on Monday, 25th April, 1983, at 10.30 a.m. at the Registered Office of the Company, Mechelsesteenweg 271, Antwerp, Belgium.

#### BUSINESS

- 1 To increase the Authorised Capital of the Company.
- 2 To authorise an issue of shares for subscription by shareholders—Price and Terms to be fixed.
- 3 To authorise an issue of shares for subscription by the Staff of ERBS and INTERSCAUT—Price and Terms to be fixed.

Note—Holders of shares warrants entitled and wishing to attend or be represented at the meeting should deposit by Tuesday, 19th April, 1983, either their share warrants to bearer or a certificate of their holding issued by their Bankers, at Bankers Limited, 4, Raffles Place, London EC4A 3AD from whom further details and admission cards to the Meeting are available.

### Canadian Pacific Limited

#### NOTICE TO SHAREHOLDERS

The 102nd Annual General Meeting of the Shareholders of this Company, for the election of directors to take the places of the retiring directors and for the transaction of business generally, will be held on Wednesday, the 4th day of May next, at Le Château Champlain, Place du Canada, Montreal, at 11:00 a.m., Montreal time.

The transfer books of shares and stock will be closed at the close of business on Tuesday, the 26th day of April, 1983 and will be reopened on Thursday, the 5th day of May, 1983.

The Board of Directors has specified that the time before which a shareholder intending to vote by proxy at the Annual General Meeting or any adjournment thereof must deposit his proxy with the office of the Vice-President and Secretary at Montreal, Que. shall be 5:00 p.m., Montreal time; Monday, May 2nd, 1983.

By order of the Board, J.C. Ames, Vice-President and Secretary, Montreal, March 14th, 1983.

### NOTICE OF PURCHASE

TRANSALPINE FINANCE LIMITED 18% OF THE TOTAL OF 1982 DUE ON 15TH MARCH 1983

NOTICE IS HEREBY GIVEN TO holders of the above bonds, that the US\$2,188,000 nominal value, purchased during the above period ending 15th March, 1983.

The principal amount of Notes remaining in circulation on 15th March, 1983 was US\$2,188,000.

UNION BANK OF SWITZERLAND SECURITIES LIMITED Purchase Agent

Amsterdam, 28th March 1983.

Amsterdam, 28th March 1983.

Amsterdam, 28th March 1983.

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Amsterdam, 28th March 1983.

## Jardine, Matheson & Co., Limited

### CLOSURE OF REGISTER OF MEMBERS

Notice is hereby given that the transfer books and Register of Members of the Company will be closed from 25th April to 6th May 1983, both days inclusive, for the purpose of the final dividend in respect of the year ended 31st December 1982.

The final scrip dividend with a cash alternative of HK\$0.57 per share will be paid on 22nd June 1983 to shareholders on the Register of Members on 6th May 1983.

In order to qualify for the dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrar, Central Registration Hong Kong Limited, Hopewell Centre, 17th Floor Mezzanine, 183 Queen's Road East, Hong Kong, not later than 4.00 p.m. on 22nd April 1983.

### JARDINE, MATHESON & CO., LIMITED

By Order of the Board  
K. W. Young,  
Company Secretary  
Hong Kong, 30th March 1983.

### ECU 50,000,000 Floating Rate Notes due 1989 Exchangeable for 13% Bonds due 1989

Unconditionally guaranteed by THE REPUBLIC OF FRANCE

In accordance with the terms and conditions of the Notes, notice is hereby given that for the 3rd Interest Period from March 30, 1983 to June 30, 1983

the Notes will carry an Interest Rate of 9 1/4% per annum.

The interest payable on the relevant Interest Payment Date, June 30, 1983 against Coupon No 3 will be ECU 25.08 per Note.

Agent Bank

KREDIETBANK S.A. LUXEMBOURGEOISE

NOTICE IS HEREBY GIVEN that the transfer books of the Company will be closed from 25th April to 6th May 1983, both days inclusive, for the purpose of the final dividend in respect of the year ended 31st December 1982.

By Order of the Board  
K. W. Young,  
Company Secretary  
Hong Kong, 30th March 1983.

### MALAYSIA

US\$250,000,000 Floating Rate Notes due 1992

In accordance with the provisions of the Notes, notice is hereby given that the 3rd interest period will be from 30th April 1983 to 30th October 1983 and will carry an interest rate of 10 1/4% per annum.

On 30th October 1983, interest of US\$17.50 per US\$100,000 nominal amount of the Notes and interest of US\$12.50 per US\$100,000 nominal amount of the Notes will be due against Coupon No.3.

Swiss Corporation International Limited Reference Agent

NOTICE IS HEREBY GIVEN that the transfer books of the Company will be closed from 25th April to 6th May 1983, both days inclusive, for the purpose of the final dividend in respect of the year ended 31st December 1982.

By Order of the Board  
K. W. Young,  
Company Secretary  
Hong Kong, 30th March 1983.

Amsterdam, 28th March 1983.

Amsterdam, 28th March 1983.

Amsterdam, 28th March 1983.

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Amsterdam, 28th March 1983.



## UK COMPANY NEWS

## Ruberoid up by £0.8m and lifts dividend

SECOND-HALF profits from Ruberoid have risen by £0.8m to £2.35m. This brings the total for 1982 to £4.16m, an advance of £0.8m over 1981, while turnover rose by £3.48m to £88.24m. Earnings have improved to 35.08p (31.75p) pre-tax and to 16.86p (14.70p) net. The final dividend is 4p for a net total of 5.0p, compared with 4.7p.

No figures are included for Anverpore Tear & Asphaltedred (ATAB), 79 per cent of which was acquired last December. This was Ruberoid's first venture into continental Europe and "it holds lots of promise," says Mr Thomas Kenny, the chairman.

Reviewing the year, the chairman says the building materials Ruberoid Building Products had a splendid year, while Vulcanite also did extremely well. In contracting, margins are under increasing pressure; the company has been profitable although the activity level has shown a decline.

Paper is a difficult sector and the group lost money, "but nothing serious." Contrary to past years, the glass house activity earned money. Plastic products made a profit compared with a loss in 1981.

Catalin, acquired in August 1981, has moved out of serious losses and made a trading profit for the six months ended December 1982. Provided costs can be contained there are indications that the improvement will continue.

Giving further details of ATAB, Mr Kenny says its principal activities are in Belgium and its business is complementary to Ruberoid Building Products, Vulcanite, and Ruberoid Contracts. In 1982 sales went up from £21.5m to £22.5m, and from £207,000 to £1,030,000 including any management charges from its former parent company.

At the year end the group had cash balances, including £968,000 in ATAB, of £3.7m, a sizeable increase on the previous year.

## comment

Ruberoid's building materials division continues to be the group's main source of growth, boosted by rapid productivity gains and the introduction of two new roofing products. It should benefit from the present upturn in the housing and renovation market, pointing to pre-tax profits of around £6m in the current year. That figure includes an estimated first-time contribution of £1m from the newly acquired Belgian subsidiary, in line with its 1982 performance. Slack markets meant pre-tax margins in the contracting division were a mere 3 per cent against 7 per cent for the group. Payments from the Scottish power station roofing contract should begin to trickle in during 1983. The group's reliance on the black in the second half thanks to austere cost cutting and 20 per cent redundancies. Small losses in the paper division were due to overcapacity in European markets, but the company's investment in equipment to reduce energy costs should improve competitiveness. With cash balances of £3.7m, Ruberoid is hungry for an acquisition in a related field. But City analysts point out that the company's growth record makes it look pretty desirable itself. The shares rose 10p to 260p for prospective p/e of more than 10.

## Aberfoyle losses rise

Pre-tax losses of Aberfoyle Plantations, which holds tea estates in Zimbabwe, increased from £428,000 to £488,000 for 1982. Turnover decreased from £978,000 to £895,000. The after-tax deficit came out at £488,000, compared with £428,000, and there is again no dividend—none has been paid since 1965. The pre-tax result was struck after operating and selling costs of £419,000 (£304,000), a loss of £4,000 (£5,000 income) from fixed assets investment and interest payable of £179,000 (£202,000). Interest received was £4,000 (£5,000) and other operating income came to £20,000 (£3,000 loss).

## STOCK EXCHANGE BUSINESS IN MARCH Equity turnover at record £5.4bn

BY GRAHAM DELER

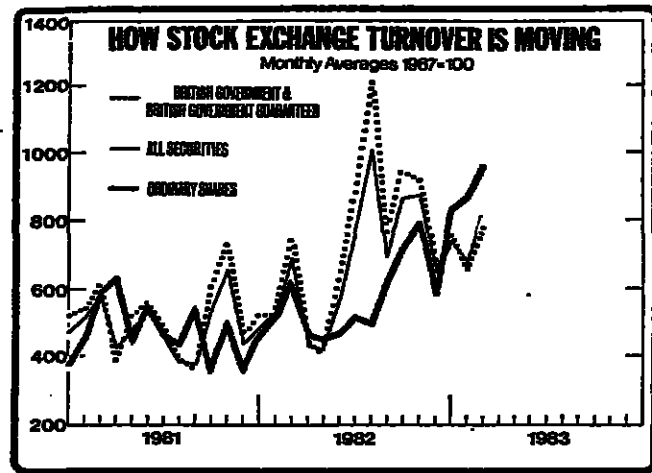
EQUITY turnover on the London stock Exchange attained an all-time high for the third consecutive month, reflecting near-boom conditions in front of the Budget proposals announced mid-way through the month.

A substantial increase in corporate takeover activity also boosted business during the month in which there were 23 trading days—three more than in February.

Turnover in equities totalled a record £5.4bn, up £0.54bn, or 11.1 per cent, on February's £4.87bn. The Financial Times Turnover Index for ordinary shares rose 985.8 compared with the previous month's 899.2. Equity gains totalled £68.767, an increase of 8.8 per cent on February, and the average value per bargain rose slightly to £1.100.

Encouraged by signs of an economic recovery helped to lift the Financial Times Industrial Ordinary share index to an all-time peak of 673.6 on the 15th. Budget Day. Prices subsequently drifted lower as investment enterprise was stifled by downward pressure on sterling, which prompted fears of deary money, and the index closed the month a net 17.4 up at 651.

Activity in gilt-edged securities also improved significantly, rising 15.8 per cent, or £2.5bn, to £18.3bn, and the Financial Times Turnover in



index for Government Securities was 774.3 compared with February's 668.5. Early optimism over a new Opec oil price structure, agreement for which was finally reached after prolonged negotiations, on the 14th, was offset later in the month by the sharp decline in sterling and financial year-end considerations. The Financial Times Government Securities index, eased to 79.21 on the first day of the month, but rose to 81.88 on the 15th before settling for a net gain in March of 1.39 at 80.82.

Trade in short-dated issues

expanded by 19 per cent, or £1.36bn, to £8.75bn, and in longer-dated stocks by 13.5 per cent, or £1.14bn to £8.55bn. Business in all securities rose 17 per cent, or £3.51bn to £6.26bn, and the Financial Times Turnover Index for All Securities rose to 804 from February's 687.1.

South African gold shares found some support in the face of international currency uncertainties but the FT Gold Mines index ended March little changed on balance at 559.7. This compares with the previous month's all-time peak of 784.7.

	Value £m	% of total	No. of bargains	% of total	Average daily bargain Value £m	Average daily bargain Value £m	Average daily bargain Value £m
BRITISH FUNDS							
Short Dated	8,745.2	33.3	26,148	4.2	380.2	334.5	1,137
Others (over 5 years)	9,550.2	36.4	45,507	10.4	415.2	145.8	2,948
TOTAL	18,295.4	69.7	71,655	14.6	795.4	179.6	3,985
IRISH FUNDS							
Short Dated	731.6	2.8	3,647	0.6	31.8	206.6	159
Others (over 5 years)	916.7	3.5	4,313	0.7	39.9	212.5	187
Others (over 5 years)	453.4	1.7	5,383	0.8	19.7	84.3	234
UK LOCAL AUTHORITY	345.1	1.3	1,704	0.3	5.8	51.0	74
OVERSEAS GOVT	347.0	1.3	32,905	5.2	14.9	10.4	1,431
OTHER FIXED INTEREST							
ORDINARY SHARES	5,412.3	20.7	468,757	77.8	235.4	11.1	21,250
TOTAL	26,237.3	100.0	628,364	100.0	1,140.8	41.8	27,320

\* Average of 4 securities.

## York Mount increases by 57.9% to £419,108

AN INCREASE of 57.9 per cent in pre-tax profits has been produced by the small unit development in 1982. Profits rose from £262,000 to £419,108, a 57.9 per cent increase against 7 per cent for the group. Payments from the Scottish power station roofing contract should begin to trickle in during 1983.

The final net dividend of this USM stock has been lifted from 2.1p, which was the only payment last year to 3p, which gives a total of 5p. Basic earnings per 10p share are given as rising from 28.3p to 37.5p, while fully diluted they amount to 9.45p (7.32p).

Although the start-up on new contracts has been delayed, says Mr Turpin, profits are continuing to rise. The value of £2.5m is set to start, and

further contracts are in the final stages of negotiation.

The small unit development completed in 1981, was entirely let in 1982. The refurbishment of two premises—office and industrial—has been completed during 1982, and they are likely to be let in the near future.

Together with the rentals from the small units this will increase property income substantially. On the development side, work has started on the construction of a 10,000 sq ft office block in Leeds, and two more small units, all of which should be completed in 1983.

The printing subsidiary has achieved a big increase in profits, and is anticipated to do equally well in 1983. There was a charge for tax of £41,000, compared with a previous credit of £28,000. After reduced extraordinary debits of £4,000 (£44,000) attributable to profits emerged ahead from £249,000 to £274,000.

## Trident Computer falls midway

Despite a sharp fall in pre-tax profits from £143,000 to £53,000 in the six months to January 31 1983, Trident Computer Services has declared an unchanged interim dividend of 0.5p net per 10p share.

Turnover of this USM company increased from £1.31m to £1.66m, but trading profits were well down at £4,000, against £99,000. Pre-tax results included interest receivable of £12,000 (£44,000).

Tax charge was £28,000 (£74,000) and there was an extraordinary debit of £11,000 this time. Stated earnings per share dropped from 2.8p to 1p. It is proposed that the name of the company be changed to Trident Computer Services Group and that the objects for which it is established be extended to include acting as a group holding company. Resolutions will be proposed pursuant to an internal re-organisation, which will interest in the company assuming the role of a group holding company.

The main businesses will, with effect from April 30 1983, be operated through separate subsidiaries. It is anticipated that this will lead to a clearer identification of profit centres and improved control of overheads through formal definitions of responsibilities.

The directors report that in 1982 the contract staff division was again the company's brightest performer, recording an increase in gross profits as a result of higher sales.

At Massachusetts-based Trident Computer Services Inc, sales and revenue are already well ahead of budget and are expected to contribute significantly to profits over the coming months.

## A. Beckman declines but holds interim at 1.95p

DESPITE MAINTAINING its sales at a "reasonable level" for the six months ended December 31 1982 A. Beckman, a converter and merchant of textiles and property investor, returned lower profits for the period. At the level they emerged at £33,000, compared with £519,000 previously, on turnover marginally down at £6.9m, against £7.1m.

The interim report states that as indicated previously, the directors cannot expect any

significant improvement until the level of demand in the fashion retail sector increases. Stated earnings per 10p share for the half year declined from 4.5p to 3.2p but the net interim dividend is held at 1.95p, or 3.7p, as paid for 1981/82 from taxable profits of £1.24m (£1.05m).

Available profits came through £130,000 lower at £234,000 after a higher tax charge of £209,000 (£165,000). Dividends absorb a same-again £199,000.

## RESULTS AND ACCOUNTS IN BRIEF

GANTON ENGINEERING (motor and distributor of bolts, nuts, washers and pressings)—Results for 1982 with prospects reported March 22 1983. Group shareholders' funds £4.52m (£4.78m). Fixed assets £2.41m (£2.51m). Current assets £2.33m (£2.21m). Current liabilities £3.6m (£3.24m). Increase in net bank overdrafts and advances £97,283 (£78,821 decrease).

ANGELIA TELEVISION GROUP—Results for year to October 31 1982 reported on January 27 1983. Shareholders' funds £19.53m (£18.78m); fixed assets £13.79m (£11.82m); net current assets £5.74m (£6.96m). Increase in working capital £1,047,000 (£1,770,000). Meeting: Anglia House, Norwich, April 27 at 2.30 pm.

SPONGE HOLDINGS (houseware and filter maker, printer)—Results for 1982 reported March 31. Shareholders' funds £287,809 (£27,386 deficit); fixed assets £72,945 (£28,567); net current assets £108,914 (£72,953 liabilities); increase in working capital £82,667 (£170,002 decrease) including increase in net liquid funds £775,815 (£2,289 decrease). Income from sale of fixed assets £255,798 (nil); income from capital issue £542,000 (nil). Meeting: 42 Upper Berkeley Street, W, April 28, 2.30 pm.

SALE TULNEY (food distribution, industrial glass products)—Results for year to November 30 1982 and prospects reported March 18 1983. Total shareholders' funds £12,17m (£11.41m). Fixed assets £3.75m (£2.78m). Net current assets £8.42m (£8.63m). Meeting: 28 Queen Anne's Gate, SW, April 27 at 12.30 pm.

GLAY BTU/STC (manufacture and application of surface coatings)—Results for 1982 reported March 30. Shareholders' funds £5.76m (£5.41m); fixed assets £2.37m (£3.6m); net current assets £3.39m (£1.81m); increase in working capital £1,070,000 (£98,000 decrease) including decrease in net liquid funds £402,000 (£220,000 increase). Meeting: Great Eastern Hotel, EC, April 28, noon.

## BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the subdivisions shown below are based mainly on last year's results.

TODAY

Interim: Burrell Products, Duck Holdings, Ferry Pickering, Photo-Mat International, Trans-Oceanic Trust, W. J. Ribson.

Final: BAT Industries, William Bates, British Vending Industries, Crane International, Creamland Electric Appliances, Ersh, Finlay Packag-

ing, Grettan, Greenbank Industrial, Highlands and Lowlands Barbed, International Thomson, Ladbrokes, William Morrison, Supermarkets, Richards (Leicester), Stewart Wrightson, Francis Sumner.

FUTURE DATES

Finals

Clyde Petroleum Apr. 8

Overseas Apr. 8

England (J. E.) and Sons (Wellington) Apr. 8

Harrison (T. C.) Apr. 14

Laird Group Apr. 5

Levyland Plant and Wallpaper Apr. 11

Quick (H. and J.) Apr. 11

Steel Bros. Apr. 28

## London Clearing Banks' balances

as at March 16 1983

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. They are prepared by the London clearing banks and cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the monetary sector.

TABLE 1. AGGREGATE BALANCES

	Total outstanding £m	Change on month £m	Total outstanding £m	Change on month £m
LIABILITIES				
Sterling deposits:				
UK monetary sector	18,259	+311		
UK private sector	56,932	+835		
UK public sector	1,188	+188		
Overseas residents	7,231	+58		
Certificates of deposit	4,739	+49		
of which: Sight	52,435	+1,056		
Time (inc. CD's)	57,746	+1,447		
Foreign currency deposits:				
UK monetary sector	16,145	+155		
Other UK residents	2,530	+97		
Overseas residents	26,618	+978		
Certificates of deposit	6,609	+116		
Total deposits	145,632	+2,362		
Other liabilities*	16,526	+434		
TOTAL LIABILITIES	162,158	+2,796		
ASSETS				
Cash and balances with Bank of England	1,262	+70		
Market loans:				
Discount houses	3,178	+23		
Other UK monetary sector	15,854	+688		
Certificates of deposit	1,751	-104		
Local authorities	1,254	-29		
Other	962	-82		
Total assets	23,899	+506		

\* Includes items in suspense and in transit.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

	standing £m	month £m	standing £m	month £m	standing £m	month £m	standing £m	month £m	standing £m	month £m	standing £m	month £m
LIABILITIES												
Total deposits .....	145,632	+2,362	38,497	+ 63	29,537	+1,535	29,519	+769	44,291	- 27	3,777	- 39
ASSETS												
Cash and balances with Bank of England .....	1,262	+ 70	354	- 7	224	+ 33	251	+ 23	396	+ 38	36	- 15
Market loans:												
UK monetary sector .....	35,959	+1,166	8,515	+263	5,235	+899	4,178	+112	14,599	+ 11	632	-119
Other .....	29,886	+ 293	7,460	-271	6,290	+269	7,691	+674	5,321	-305	524	+ 26
Bills .....	1,708	+ 147	434	- 18	600	+110	254	+ 43	373	+ 3	46	+ 10
British Government stocks .....	2,775	+ 152	1,075	+ 78	451	-	789	+ 66	379	+ 8	82	-
Advances .....	75,132	+454	21,357	- 42	14,540	+215	15,737	+ 43	21,369	+217	2,190	+ 22

TABLE 3. INDIVIDUAL GROUPS OF BANKS' ELIGIBLE LIABILITIES

ELIGIBLE LIABILITIES	59,590	+188	18,726	+111	11,289	+153	11,306	-52	16,517	-85	1,752	+11
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This announcement appears as a matter of record only.

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ARAB AFRICAN INTERNATIONAL BANK, CAIRO / AL BAHRAIN ARAB AFRICAN BANK (E.C.) (ALBAAB)

ARAB BANK GROUP

THE ARAB INVESTMENT COMPANY S.A.A.

BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT (B.A.I.I.)

BANQUE NATIONALE DE PARIS

CHASE MANHATTAN CAPITAL MARKETS GROUP

GULF INTERNATIONAL BANK B.S.C.

IRVING TRUST COMPANY

Co-Lead Managed by

BANK OF BAHRAIN &amp; KUWAIT B.S.C.

COMMERZBANK AKTIENGESELLSCHAFT

NATIONAL BANK OF ABU DHABI

THE NATIONAL COMMERCIAL BANK (SAUDI ARABIA)

UNITED GULF BANK, BAHRAIN

Managed by

ARAB BANKING CORPORATION (ABC)

STANDARD CHARTERED BANK PLC

THE UNITED BANK OF KUWAIT LIMITED

Funds Provided by

ALABLI BANK OF KUWAIT K.S.C.

THE ARAB INVESTMENT COMPANY S.A.A.

BANQUE NATIONALE DE PARIS

GULF INTERNATIONAL BANK B.S.C.

AL BAHRAIN ARAB AFRICAN BANK (E.C.) (ALBAAB)

BANK OF BAHRAIN &amp; KUWAIT B.S.C.

NATIONAL BANK OF ABU DHABI

UNITED GULF BANK, BAHRAIN

ALUBAF ARAB INTERNATIONAL BANK E.C.

UBAF BANK LIMITED

THE COMMERCIAL BANK OF KUWAIT S.A.K.

THE NATIONAL BANK OF KUWAIT S.A.K.

STANDARD CHARTERED BANK PLC

BANK OF CHINA

STANDARD CHARTERED BANK PLC BAHRAIN O.B.U.

ALLIED ARAB BANK LIMITED

ARAB INTERNATIONAL BANK, CAIRO

BANQUE CONTINENTALE DU LUXEMBOURG S.A.

Agent

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UNION DE BANQUES ARABES ET FRANÇAISES - U.B.A.F.

March, 1983

## BASE LENDING RATES

■ A.B.N. Bank .....	10 1/4	■ Guinness Mchd .....	10 1/4
■ Al Baraka International .....	10 1/4	■ Hambros Bank .....	10 1/4
■ Allied Irish Bank .....	10 1/4	■ Heritable & Gen. Trust .....	10 1/4
■ Amro Bank .....	10 1/4	■ Hill Samue .....	10 1/4
■ Henry Ausbacher .....	10 1/4	■ C. Hoare & Co. ....	10 1/4
■ Arbuthnot Leatham .....	10 1/4	■ Hongkong & Shanghai .....	10 1/4
■ Arco Trust Ltd. ....	10 1/4	■ Kingdom Trust Ltd. ....	12 1/2
■ Associates Cap. Corp. ....	11 1/2	■ Knowsley & Co. Ltd. ....	11 1/2
■ Banco de Cuba .....	10 1/4	■ Lloyds Bank .....	10 1/4
■ Bank Hapoalim Bm .....	10 1/4	■ Malindi Bank .....	10 1/4
■ BCCI .....	10 1/4	■ Edward & Mason & Co. ....	12 1/2
■ Bank of Ireland .....	10 1/4	■ Midland Bank .....	10 1/4
■ Bank Leumi (UK) plc .....	10 1/4	■ Morgan Grenfell .....	10 1/4
■ Bank of Cyprus .....	10 1/4	■ National Westminster .....	10 1/4
■ Bank Street Sec. Ltd. ....	10 1/4	■ Norwich & Co. ....	10 1/4
■ Banque Belge Ltd. ....	10 1/4	■ P. S. Refson & Co. ....	10 1/4
■ Banque de Rome .....	10 1/4	■ Royal Trust Co. Canada .....	10 1/4
■ Barclays Bank .....	10 1/4	■ Roxburgh Guarantee .....	11 1/2
■ Beneficial Trust Ltd. ....	11 1/2	■ Slavenburg Bank .....	10 1/4
■ Brenmar Holdings Ltd. ....	11 1/2	■ Standard Chartered .....	10 1/4
■ Brit. Bank of Mid. East. ....	10 1/4	■ Trade Dev. Bank .....	10 1/4
■ British Shipways .....	10 1/4	■ Trustee Savings Bank .....	10 1/4
■ Buxton Perm't Trust .....	11 1/2	■ TCB .....	10 1/4
■ Castle Court Trust Ltd. ....	11 1/2	■ United Bank of Kuwait .....	10 1/4
■ Cayer Ltd. ....	10 1/4	■ Volkskas Int. Ltd. ....	10 1/4
■ Ceding .....	10 1/4	■ Wespac Banking Corp. ....	10 1/4
■ Charterhouse Japh. ....	10 1/4	■ Williams & Wyse's .....	10 1/4
■ Choulartons .....	11 1/2	■ Wintrust Sec. Ltd. ....	10 1/4
■ Citibank Savings .....	11 1/2	■ Yorkshire Bank .....	10 1/4
■ Clydesdale Bank .....	10 1/4	■	
■ Comm. Bk. of N. East .....	10 1/4	■	
■ Consolidated Credits .....	10 1/4	■	
■ Cyprian Bank .....	10 1/4	■	
■ The Cyprus Popular Bk .....	10 1/4	■	
■ Duncan Lawrie .....	10 1/4	■	
■ E. T. Trust .....	11 1/2	■	
■ Export East Ltd. ....	10 1/4	■	
■ First Nat. Fin. Corp. ....	13 1/2	■	
■ First Nat. Sec. Ltd. ....	13 1/2	■	
■ Robert Fraser .....	11 1/2	■	
■ Royal Bank .....	10 1/4	■	

■ Members of the Accepting Houses			
■ 7-day deposit .....	7 1/2%	■ 1-month .....	8 1/2%
■ 7 1/2% deposit .....	7 1/2%	■ 3-month .....	10 1/4%
■ 7 1/2% deposit seasonals of: under £50,000 7 1/2%, £50,000 up to £50,000 10 1/4%			
■ Call deposits £50,000 and over 7 1/2%			
■ 21-day deposit over £1,000 8 1/4%			
■ Demand deposits 7 1/4%			



## JOBS COLUMN

## Young eagles • Pay indicators • Pocket TV

BY MICHAEL DIXON

TO CALL yourself a "high flyer" these days you have to be earning at least £16,500 at the age of 30, says the latest Reward salary survey.

Since the qualifying figure in 1980 was £12,000, the sum a 30-year-old must earn to claim high-flyer status has risen by 37.5 per cent. That compares with a rise of about 30 per cent for executives in general. So it seems that the young eagles have increased their ascendancy over the fluttering flocks below, who like the wartime RAF may well be hopelessly singing: "It's a good job pigs don't fly."

There are two reasons for the gain in relative altitude, the survey report goes on:

"Firstly, that management information systems have continued to improve so that outstanding performance is more easily proved and appropriate rewards can be requested faster, and secondly that the Thatcher Factor—the encouragement of ability and success untrammelled by theories of equality—has become the house style of many companies. We would expect the widening of differentials between high flyers and the rest to continue, for both these reasons."

These words seem likely to charm the ears not only of

young eagles but also of the tender types of personnel manager. Accordingly, before any more of the latter busy themselves about making Reward's expectations come true, this old crow wishes to croak a warning.

Real people rarely if ever go on improving their work at a regular rate. Usually a time of rapid progress is followed by a plateau where performance stays steady. Paying people what they are worth as soon as they are seen to be worth it, is therefore liable to result in a series of big pay rises suddenly giving way to at best small rises when they hit the plateau.

When the U.S. General Electric group studied the effects of paying people in that way, it found that the valued staff used to a succession of big increases took umbrage when their pay levelled out in line with their performance. They reacted by leaving in large numbers for other employment just when they had become fully effective in their work.

So a company which preens its young eagles may well be feathering its competitors' nests.

## Salaries

THE TABLE above shows Reward's latest indicators of salary levels for different kinds of executive in Britain. The figures refer to staff ranked immediately below director

Most senior manager below rank of director* in:	Lower quartile		Median		Upper quartile		Median basic of those with Degree Prof. qual.		Those with company car	
	Basic salary	Total money reward	Basic salary	Total money reward	Basic salary	Total money reward	£	%	£	%
Scientific department	12,963	12,963	14,600	14,600	20,225	20,225	20,000	—	—	—
Purchasing	12,966	12,966	15,372	15,372	17,433	17,433	—	16,003	71.4	—
Management services	13,500	13,500	15,120	14,050	18,000	18,468	18,000	—	76.2	—
Company secretarial	12,019	12,110	14,898	15,000	18,375	19,000	—	—	80.8	—
Accounting	13,175	13,408	14,872	15,125	18,000	19,029	17,500	14,833	76.7	—
Computing	12,000	12,300	14,261	14,500	16,725	17,244	16,101	—	70.1	—
Marketing	11,423	11,612	13,890	13,890	16,441	17,273	13,236	—	89.3	—
Personnel	11,318	11,451	13,833	14,200	16,688	17,091	15,684	13,992	77.4	—
Sales	11,425	12,075	13,500	14,040	16,619	17,289	15,553	13,955	96.9	—
Engineering	11,425	11,545	13,481	13,745	17,350	17,545	15,000	17,375	66.9	—
Research and development	11,240	11,292	13,438	13,809	16,501	17,600	16,044	11,950	68.8	—
Production	11,104	11,273	12,990	13,208	15,700	15,980	15,770	11,915	75.5	—
Administration	10,040	10,285	12,468	12,468	15,447	16,587	—	—	77.7	—
Distribution	9,831	9,608	11,074	11,300	13,744	14,107	—	—	—	—
All top-rank managers	11,600	—	13,867	—	17,000	—	—	—	77.8	—

\* In smaller companies could rank as director, otherwise reporting directly to Board-level.

except in smaller companies where they may be on the Board although doing the same kind of work. Further data can be obtained from Bill Couldrey at 1 Mill St, Stone, Staffordshire ST15 8BA; telephone 0783 814554.

The left-hand two columns of figures give the basic salary and then total cash rewards of the lower quartile executives who would be a quarter way up from the bottom of a pay ranking of all doing similar jobs at the same rank. The next two pairs

of columns respectively do likewise for the median person half way up the ranking and the upper quartile a quarter way down from the top.

The next pair refer to the medians, first among the people with a degree perhaps in addition to a professional qualification, and then among those with a professional qualification alone. Then comes the percentage enjoying a company car.

All pay figures should be increased by 2 per cent to

adjust for time lag since the survey was made.

Compared with the overall basic median of £13,867, medians for different regions varied as follows: Higher—Aberdeen by 17.7 per cent, London by 15.8, other Scotland by 3.5, North-east by 2.4, Lower—South-east by 0.9, Eastern counties by 2.6, North-west by 8.9, South-west by 9.8, West Midlands by 11.5.

Corresponding variations with company turnover were: Higher—£100m-plus by 24.8 per cent,

£40m-£100m by 15.4, £15m-£40m by 1.2. Lower—£5m-£15m by 6.3, up to £5m by 13.5. The variations with numbers employed were: Higher—4,000-plus employees by 29.5 per cent, 1,001-4,000 by 8.2, 501-1,000 by 7.7, Lower—201-500 employees by 3.5, up to 200 by 8.8 per cent.

## Sinclair

LAST but definitely not least on today's agenda is an opening which Geoffrey King of Cambridge Recruitment Consultants claims is "the job of the decade." It is for the managing director of the new company set up by Clive Sinclair to launch his new pocket television set.

The TV, measuring 6 in by 4 in by 1 in and said to be able to receive transmissions wherever they are made in the world, is due on the market in autumn at about £50. The telly concern will be separate from Sinclair's computer company, and has other products under development.

Candidates should have "dazzling" career records including success in general management of an advanced electronics business. They should be no older than their mid-40s, the headhunter insists.

Salary at least £40,000. Other benefits for negotiation. Inquiries to Mr King at La Rose Crescent, Cambridge CB2 3LL; tel. 0223 311316.

## Merchant Banking... Credit and Financial Analysis

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A major clearing house offers an interesting alternative for a credit analyst trained within a North American bank environment.

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This change of career orientation represents a real challenge to the positive and ambitious applicant.

If you are interested in the above, then please contact Roger Tiplie, M.A., Manager, Banking & Finance Division, 31 Southampton Row, London WC1B 5HY or phone 01-242 0565. Strict confidentiality is absolutely guaranteed.



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Your name will not be released until we have briefed you and you have given your consent. Please write to me, Terence Hart Dyke, consultant to the Group.

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Mark Wolfson, Director, Head of Personnel,  
Hambros Bank Limited, 41 Bishopsgate, London EC2P 2AA.



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record, combined with the ability and flexibility to make a significant contribution will recognise the outstanding potential of these career opportunities.

In addition to a highly challenging professional environment we offer a most attractive compensation and benefits package.

If you feel you may qualify please write with career details to: Keith A. Robinson, c/o Merrill Lynch International Bank Ltd., Merrill Lynch House, 27/28 Finsbury Square, London EC2A 1AQ.



Merrill Lynch

## Group Finance Director to £35,000

Our client is a substantial public group, based in the West Country. The present Finance Director is due to retire shortly and we have been retained to recruit his replacement.

You will currently be in a very senior (Board) position within a major public company, probably aged around 40 and a qualified accountant.

You will also be a fully creative Financial Manager and business man or woman, with broadly based experience including manufacturing, contracting and engineering.

preferably in an international context.

The terms are fully comprehensive and include profit-related bonus, car and negotiable contract. Prospects of promotion to the Group Managing Directorship in due course are excellent.

Please contact, in total confidence, Peter Wilson, F.C.A., the group's adviser, by sending a brief but succinct cv. to him at Management Appointments Limited, (Recruitment Consultants), Finland House, 56 Haymarket, London SW1Y 4RN.

Tel: (01) 930 631

Management Appointments Limited



David Grove Associates  
Bank Executive Recruitment  
60 Cheapside London EC2V 6AX Telephone 01-248 1858

BOND SALES EXECUTIVE £Very high  
Our client is a young investment house who need a dynamic Bond sales person with a proven record. Remuneration by way of high basic salary and commission could see earnings up to six figures.

LENDING/MARKETING OFFICERS To £17,000  
We have a number of first class opportunities in the business development and lending areas of international banks. Candidates will be graduates and/or AIB's with previous experience in the City. Preferred ages 25-35.

INTERNATIONAL BANKING - Up to £12,000  
OPPORTUNITY FOR CLEARING BANKER  
An outstanding opportunity for a clearing banker (mid-late 20's) probably Grade IV or V, to join a well established international bank. There is considerable potential for advancement to management level.

FX DEALING To £18,000  
We have a number of good vacancies for young experienced dealers in the Forex and corporate dealing fields. Also a junior Yen dealing opportunity.

Please contact Joan Menzies or Bryan Sales on 01-236 4441.

## Morgan Grenfell &amp; CO. LIMITED.

## Eurocurrency Banker

Morgan Grenfell requires young Eurocurrency Banker aged 23-25 to join active department engaged in all aspects of International Banking.

Applicants should be graduates who have 2-3 years general experience of credit appraisal, documentation and syndication of transactions involving corporate, sovereign risk and project lending.

An ability to integrate with a small team working under pressure in a highly competitive environment together with a willingness to learn new skills and develop new ideas are essential. Fluency in one or more foreign languages would be an advantage.

Remuneration will be based on experience and will include such benefits as a preferential mortgage scheme, non-contributory pension, S.U.P.A. etc.

Please reply in writing to:

P.M. Lefevre, Head of Personnel  
Morgan Grenfell & Co. Limited,  
23 Great Winchester Street, London EC2P 2AX

## Banking Personnel

MANAGER - DOCUMENTARY CREDITS  
Age 30-45 Salary Negotiable

Our client, a prominent City International Bank, seeks to appoint a Senior Banker with current, broad-based experience in all aspects of Documentary Credit Transactions.

Candidates should be capable of assuming responsibility for a highly active department dealing with large, multi-faceted back-to-back and transferable credits and have the technical knowledge to provide advisory support to clients and other banking departments.

Salary and benefits are negotiable according to age and experience but will reflect the seniority of this appointment.

Please contact Lewis Marshall (General Manager) on 01-588 781 or write enclosing a detailed curriculum vitae.

41/42 London Wall, London EC2. Tel: 01-588 0781

## Assistant Investment Manager

Electra Investment Trust wishes to appoint an Assistant Investment Manager preferably mid to late 20's, with a strong background in investment analysis.

It is essential that applicants, male or female, have a genuine enthusiasm for medium sized company investment and the capability to combine some fund management expertise with original research work.

A competitive financial package will be offered.

Please write in confidence with full cv to:  
J.P. Cross, Secretary, Electra Investment Trust PLC,  
Electra House, Temple Place, London WC2R 3HE.



Electra Investment Trust PLC

## TOP APPOINTMENTS

Only Comaught offers a success-related fee structure to selected senior executives seeking new appointments from £15,000 to £50,000. Please write help you too. Contact us for a confidential meeting without obligation.

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London W1 01-493 8504  
(24 hour answering service)



## INTERNATIONAL BANKING

**CORRESPONDENT BANKING** c. £17,000  
Progressive international bank seeks an energetic and experienced banker to help identify, appraise and develop bank relationships with a strong Middle East asset. Knowledge of the area and a relevant language would be helpful.

**CREDIT ANALYSIS/MARKETING** £10,000-£15,000  
A number of active City banks seek people essentially with a strong credit background... extending a range of career opportunities appropriate to specific skills/potential/interests (e.g. fluency in German; marketing administration).

**MANAGEMENT ACCOUNTING** to £12,500  
An excellent opportunity for a recently qualified A.C.A. with some knowledge of international bank accounts to develop direct practical experience in a definite growth situation.

**EUROBOND ADMINISTRATION** c. £5,500  
A challenging opportunity for a young banker with extensive "back-up" experience to play a formative role in the development of the bank's Eurobond operation.

Please Tel: John Chiverton, Ann Costello or Peter Williams.

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5, CASTLE COURT  
LONDON, E.C.4  
01-623 3661

## Senior General Management Positions -Transportation

Package c.£20,000 + car

London

A major British-owned transportation group seeks to appoint directors to two key general management positions within substantial operating subsidiaries.

Each position reports to the respective Managing Director. Initial responsibilities will include industrial relations, quality control, security, insurance, finance and computer operations. Outstanding opportunities for both short and long term career development are offered.

Candidates should be QUALIFIED ACCOUNTANTS, and experience of management consultancy and/or transportation management would be an advantage. Age 35-42, salary fully negotiable. Please write in confidence, quoting reference 54951L and enclosing full details, to N.P. Halsey, 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

Peat, Marwick, Mitchell & Co.  
Executive Selection Division

## Investment Manager

There is a vacancy for an Investment Manager to join the existing team, managing our expanding list of client portfolios. The appointment carries a considerable degree of responsibility and discretion and candidates should have several years' experience of UK Fund Management.

Flemings are widely represented overseas and good opportunities exist for advancement both in the UK and abroad. A competitive salary according to age and experience with fringe benefits will be offered.

Applicants, of either sex, should write enclosing their curriculum vitae to:-

J. E. Redwood, Robert Fleming Investment Management Limited, 8 Crosby Square, London EC3A 6AN. Tel: 01-638 5858.

**ROBERT FLEMING**

## Rewarding Opportunities in our Credit/Risk Control Group

Citicorp International Bank Limited is significantly expanding its activities in all sectors of the London organisation. This exciting development has created a number of immediate opportunities for experienced and ambitious young executives within the Credit/Risk Control Group. Specifically we are now looking for:

**CREDIT/RISK CONTROL MANAGER** - to be responsible for maintaining the Bank's Credit/Risk administration, process and control activities.

**CREDIT/RISK REVIEW OFFICER** - to organise, plan and execute regular management reviews of the Bank's assets and products.

**OFFICER** - to handle the Bank's corporate secretarial affairs and hold responsibility for the creation of a central documentation unit for the Bank.

For all of these opportunities, we're looking for young, experienced and professionally qualified or graduate bankers, men or women, who are keen to match their personal development with the aims and objectives of the Bank. These openings represent an excellent opportunity to join a successful and expanding operation and at the same time enjoy the very attractive remuneration packages that will fully reflect individual experience and qualifications.

Please write enclosing a full cv., to Morley West, Group Personnel Officer, Citicorp International Bank Limited, 335 Strand, London WC2R 1LS.

**CITICORP**



## MARKETING SCOTLAND IN EUROPE

The Scottish Development Agency is seeking to strengthen its team of European Marketing Executives by recruiting two senior level executives one of whom will be based in the Glasgow headquarters and the other in our Brussels office.

The major responsibility of the headquarters executive will be to prepare and implement a plan of marketing action to attract industrial investment to Scotland from continental Europe. Linked to this will be the need to co-ordinate European promotional tours, liaison with Scottish local authorities and providing a marketing input to the Agency's European advertising campaign. Additionally you will also be expected to identify target European companies with potential for investment and location in Scotland.

The Brussels based executive will lead from within Europe a campaign to highlight the advantages of Scotland as a UK operating base for European industry. You will deal extensively at a very senior level with executives and organisations in a position to influence location decisions. As part of the remit, there will be a need to encourage joint ventures and licensing agreements along with a special responsibility for Scandinavia and the Benelux countries. Communication and negotiating skills at the very highest level are essential for this post.

For both posts interested individuals will need to be able to demonstrate several years relevant senior marketing experience in industry or commerce allied to a relevant degree. For the headquarters post a knowledge of the major European languages would clearly be useful and for the Brussels post, fluency in French is an essential pre-requisite for the Brussels post and an attractive package of overseas allowances will be paid in addition to a competitive basic salary. Apply in writing giving relevant career and personal details and quoting reference number FT/LSA4 to: David Swift, Staff Executive, Scottish Development Agency, 120 Bothwell Street, Glasgow G2 7JP.

All applications must be submitted within 14 days of the appearance of this advertisement. Open to male and female applicants.

**SCOTTISH DEVELOPMENT AGENCY**

## Chairman (part-time)

### Yorkshire Water Authority

The main functions of the Authority comprise water supply, sewerage and sewage disposal, land drainage, river management and water-based recreation and amenities. It supplies 4.4 million people, has an annual income of £200m, a capital expenditure of £80m and 6,300 employees.

The YWA Chairman is appointed by the Secretary of State for the Environment and subject to the enactment of the 1983 Water Bill will lead a board of not more than fourteen other members. The key task will be to ensure that the Authority fulfils its obligations in the most cost-effective way having regard to the needs of consumers.

Candidates, preferably aged 45 to 55, should desirably have considerable general business management experience in a sizeable organisation in either the private or public sector. Local knowledge would be highly valued.

Pensionable salary will be not less than £21,000 for a 3½ day week. The appointment will be for up to five years from 1st October. Please write briefly - in confidence - to David Bennett ref. H.43717, as adviser to the Department of the Environment.

This appointment is open to men and women.

**MSL**  
United Kingdom Australia Benelux  
Canada France Germany Ireland  
Italy Scandinavia South Africa  
Switzerland U.S.A.  
**Management Selection Limited**  
International Management Consultants  
52 Grosvenor Gardens London SW1W 0AW

## Eurobond Documentation Manager

Citicorp International Bank Limited in London is significantly expanding its international securities activities. We are looking to strengthen our professional team by appointing a Eurobond Documentation Manager.

Reporting to the Director, New Issues, you will initially be responsible for the establishment and subsequent control of a small department of executives involved in the preparation and vetting of Eurobond documentation. After a period of two to three years, a career move into another department of the Merchant Bank could be expected.

To be considered for this key post, you should be aged around 30 and have three to five years' experience in Eurobond documentation. Ideally this will have been gained with a Eurobond Issuing House or with a major City law firm. For the right man or woman, we will provide a remuneration package which will fully reflect your professional standing.

Please write, enclosing a full cv., to Morley West, Group Personnel Officer, Citicorp International Bank Limited, 335 Strand, London WC2R 1LS.

**CITICORP**

## ECONOMIST

Laurie, Milbank & Co are expanding their economics capability and seek a young graduate economist to work on macroeconomic forecasting with specific reference to the U.K.

Candidates ideally should have about two years' experience in macroeconomic work, preferably with a financial institution, and a practical ability in econometrics.

Please write in confidence to Tim Summers



**Laurie, Milbank & Co.**  
Portland House 72-73 Basinghall Street London EC2V 5DP

## APPOINTMENTS WANTED

### FRENCHMAN

highly experienced in international management and currently responsible for maintenance and general day-to-day running of extensive princely property in North Africa, seeks similar position somewhere in France.

Write Box A8164, Financial Times, 10 Cannon Street, London EC4P 4BT.

EXECUTIVE (44), 48886, 4889P, seeks involvement in electronic publishing/communications. Write Box A.8180, Financial Times, 10, Cannon Street, London EC4P 4BT.

## Vacancy for GENERAL SECRETARY

The General Secretary of the Society of Telecom Executives (formerly Society of Post Office Executives), a TUC affiliate, is due to retire on September 30 1983, and applications for the post are invited by May 6 1983.

The job is open to all.

Details are obtainable on written request to the General Secretary, Society of Telecom Executives, 102/104 Sheen Road, Richmond Upon Thames, Surrey TW9 1UF. The envelope to be superscribed 'personal.'

## BANKING OPPORTUNITIES

**CREDIT CARD CONTROLLER** Under 40 Negot. c. £20,000 plus overseas benefits  
Gulf State bank requires self-motivated university graduates with at least 5 years' supervisory experience in credit card management to work in Gulf.

**SENIOR MARKETING OFFICER** 28/35 max. c. £18,000  
An aggressive and experienced business development officer with background of cold calling to blue chip U.K. companies required by well-known international bank. In addition to marketing expertise, this bank is looking for candidate with strong personality and business innovation. A degree would be an advantage.

**CHARTERED ACCOUNTANT** Late 20s c. £16,000  
**CORPORATE FINANCE DIVISION**  
Prime U.S. bank requires chartered accountant with at least 3 years' post-graduate experience - not necessarily in banking - possibly in Treasury Department of commercial company. Must have knowledge of new issues and mergers but be capable of taking on other duties.

**QUALIFIED AUDITOR** Late 20s/early 30s c. £12,500  
Qualified auditor required by U.S. bank for internal audit and control. Bank is shortly commencing on to IBM 34 Midas. Position has arisen through retirement and person will help introduce computer and new policies and procedures.

**LJC BANKING**

170 Bishopsgate, London EC2M 4LX: 01-283 9953

## Top Executives Seeking a career change

Minster Executive specialises in solving the career problems of Top Executives who are earning in excess of £20,000 a year and are seeking a new opportunity. The Counsellors in our partnership encompass a wide range of experience and skills. All have been engaged in a top management role. The Minster Programme, tailored to your individual needs, will be managed by at least two Counsellors so that you are guided along the most effective route to that better opportunity. We have an impressive record of success and an acknowledged reputation in the employment market; many blue chip companies from a broad spectrum of industry and commerce retain our services in the re-deployment of their senior people. It could be to your advantage to find out more about us today. Write or telephone for a preliminary discussion without obligation.

MINSTER EXECUTIVE LTD. 28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309/1085

### DOCUMENTARY CREDITS

With an emphasis on Third World business and heavy involvement in the Middle East my client is seeking a Documentary Credits expert. Applicants from a banking environment, must be well versed in Letters of Credit with an emphasis on Guarantees and Bid and Performance Bonds. Age to 40.

Please contact: Paul Trumble

### EUROBOND ANALYST

An investment bank with a rapidly expanding bond portfolio seek an analyst with considerable experience in eurobonds, preferably covering switch analysis. Dependant upon the seniority of the applicant this position should carry officer status.

Please contact: Diana Warner

### INTERNATIONAL GENERAL BANKER

This substantial European Bank wishes to appoint an additional member of staff. Aged between 24 and 30, the successful applicant will show a number of years in International Banking or the International Division of a Clearing Bank. Duties covered should be varied but a leaning towards credit analysis/loans work would be an added advantage. However fluency in both English and French is essential.

Please contact: Richard Meredith

### LEASING APPOINTMENTS

**GENERAL MANAGER** - PARIS A US Company seeks a strong No.1 Experience to include negotiating and administering leasing transactions in France and good man management skills. Salary c£40,000.

**HIGH CALIBRE SPECIAL PROJECTS MANAGER** £30,000 p.a. plus. A bank seeks entrepreneurial international big ticket leasing negotiators, knowledge of project finance desirable. Applicants must be graduates ACA's and aged 27-32 years.

**UK MARKETING MANAGER** to £25,000 p.a. plus benefits. A major US bank seeks graduate banker with several years big ticket leasing experience. Age range 27-35 years.

Please contact: Brian Gooch/Joanne McKeggie

**Jonathan Wren**

BANK RECRUITMENT CONSULTANTS

170 Bishopsgate - London EC2M 4LX - 01 623 1266



**CJA****RECRUITMENT CONSULTANTS**  
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Tel: 01-588 3588 or 01-588 3576  
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A career appointment. Opportunity to become Systems Development Manager in 2-3 years

**E.D.P. MANAGER — BANKING**

SAUDI ARABIA

**£30,000 - £35,000 TAX FREE  
+ SUBSTANTIAL BENEFITS****NATIONAL DOMESTIC BANK WITH MAJOR EXPANSION PLANS**

We invite applications for this new appointment from candidates fluent in English, aged 30-35, with at least ten years broadly based E.D.P. experience. This must include operating, programming using RPGII, analysis, design and implementation of major systems plus not less than two years as D.P. Manager or the No. 2 of a large unit, ideally in a retail banking environment using IBM equipment. Working closely with suppliers and a leading software house, the successful candidate will be responsible to the Head of Information Systems for the planning, installation and management of a substantial number of stand-alone IBM System 34's serving a rapidly growing branch network throughout the country. The ability to work under pressure with the minimum of direction and supervision is essential. Married status. Initial tax-free salary, negotiable, £20,000-£35,000, bonus and generous range of fringe benefits. Applications in strict confidence under reference EDPH4139/FT to the Managing Director.

Opportunity exists to become Senior Contracts Negotiator in 3-4 years

**FINANCIAL ANALYST — AIRCRAFT CONTRACTS**

LONDON

**£12,000 - £15,000****SUCCESSFUL AND EXPANDING AIRCRAFT MANUFACTURER OPERATING IN WORLD-WIDE MARKETS**

This new appointment calls for Accountants or other suitably qualified candidates, up to 35, with at least three years' practical experience in high value contracts administration or export financing. Reporting to and working closely with the Head of Contracts and Finance, particular emphasis will be placed on financial accounts analysis and forecasting, including financial structuring and the use of computer-based financial modelling for leasing or credit sales contracts. Knowledge of lease structures, U.K. and export finance and familiarity in dealing with banks, leasing companies, governmental and funding agencies is desirable. Self-motivation, an alert, enquiring mind and the ability to respond to pressure are essential. Applications in strict confidence under reference FA4162/FT to the Managing Director.

A key appointment—offering scope for wider responsibilities in a senior contracts position

**CONTRACTS ADMINISTRATOR — AIRCRAFT INDUSTRY**

LONDON

**ATTRACTIVE SALARY**

This vacancy, which arises out of expansion of international business, is open to candidates aged 25-35, who have acquired five years' practical experience in contract administration, client negotiation and export financing. A knowledge of leasing or credit finance documentation for large value equipment is highly desirable. Responsibilities will cover preparation of submissions of export, insurance and banking applications, commercial paperwork, maintaining close liaison with overseas funding organisations and government departments and also the preparation of financial accounts forecasts of prospective clients and reports on clients' financial standing and country risk exposure. Continuation training will be provided where necessary. The ability to communicate clearly, both verbally and in writing, is important. Initial attractive salary negotiable, contributory pension, free life assurance, assistance with removal expenses if necessary. Applications in strict confidence under reference CA4163/FT to the Managing Director.

**CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED**

35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 OR 01-588 3576. TELEX: 887374

\* Please only contact us if you are applying for one of the above positions.

# Business Planning in Product Marketing

ICL exists to provide its customers—43% of whom come from outside the UK—with effective business solutions to their problems through the exploitation of the latest advances in information technology.

In the last financial year we achieved a turnover of £720.9 million, making us Europe's leading indigenous computer manufacturer. In the same year, we also employed around 23,500 people.

In a business enterprise of such dimensions, long-term business planning considerations obviously impact strongly on the product marketing function, on the way in which marketing policy directs and influences marketing and selling operations in the field, and in ICL's own development units.

Consequently, the Business Planning Sector plays a key role within the Product Marketing Division—a role which gives it full accountability for all these strategically important functions:

Long-term market strategy; the formulation of corporate objectives; setting objectives for business sectors; setting standards and procedures for business and marketing plans; approving strategies and plans prepared by business sectors; auditing plans and programmes; developing competitive strategies; tracking performance against plans.

Since its inception, the Business Planning Sector has more than justified its existence. And like any successful undertaking, its workload has increased sharply necessitating three new, senior appointments.

**Manager, Financial and Resource Planning**  
around £17,300 plus car and other benefits

The man or woman we appoint will provide an on going financial evaluation and analysis of business plans and alternative strategic scenarios and, in conjunction

with Group Manpower Planning, an evaluation of and recommendation for manpower strategies and plans to support business initiatives.

Our ideal profile is someone aged between 30 and 35 who has a degree in a numerate discipline, an accounting qualification and about seven years experience of strategic business planning, preferably in a high-technology industry.

**Business Planners**  
around £13,000

We have identified two roles—one which will involve working with our Manager, Market Planning, the other with the Manager, Product and Programme Planning. Both roles demand the same skills in analysing, discussing and communicating a variety of complex business concepts and solutions, and would be especially suitable for men and women who want to develop their experience of business planning into a marketing career.

In both cases, our profile is of someone aged 25-28, with a first degree plus an MBA or MSc, and around three years planning experience preferably in a high-technology industry.

If you feel that any of these roles could provide the right setting for the next phase of your career, and you could bring to them the right combination of experience and intellectual and personal qualities, please write, enclosing a copy of your CV, to Ian Neill, Manager, Business Planning and Appraisal, International Computers Limited, ICL House, 292-298 High Street, Slough, Berks. Telephone: Slough (0753) 31111.

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25 Whitehall, London SW1A 2BT.  
Enquire about their redeployment services. can be included in your severance terms.

## Company Secretary

LONDON

**c. £16-£18,000 + Car.**

Our Client, the subsidiary of a large British public group operating internationally, is a major holding company whose business is conducted mainly in the U.K.

The holding company is an amalgam of related businesses, many of which are nationally known. Most are engaged in the production, marketing and distribution of branded consumer products to a variety of retail outlets.

This new appointment arises because of the need to relieve the Legal Director/Secretary of the holding company of day-to-day responsibilities for:

- control and supervision of the broad range of company secretarial duties at the Centre, and
- provision of specialist secretarial advice and counsel to the Finance Directors/Secretaries of subsidiary companies.

The successful candidate, who will report to the Legal Director, should:

- be a chartered secretary (or possibly a chartered accountant), aged about 35-45.
- hold a senior secretarial responsibility in a large and diversified public group, probably having a complex structure and engaged in manufacturing, processing or retailing.
- have sound knowledge and experience of company secretarial work, particularly boardroom and secretarial practice, Company Law and compliance with statutory and Stock Exchange requirements, and of handling other outside relationships e.g. registrars, trustees, bankers and insurance companies or brokers.
- have an approachable, outgoing personality.
- be a capable organiser and manager.

Business prospects for the parent Group and for our Client are outstanding, and provide a secure base upon which to build a new role and career.

Removal and relocation costs will be met.

Resumes should be sent (or telephone for a short application form) to this address:-

## Hearn Healy & Partners

Management & Recruitment Consultants,  
Regent House, 89 Kingsway, London WC2B 6RH.  
Tel: 01-242 3095

**Nolan, Norton & Company****Consultants to Senior Management**  
**to £30,000 + Car**

Nolan, Norton & Company is a leading international organization of consultants specialising in the effective management of computer based technologies.

Our practices include:

- Strategic Direction Setting
- DP Management Control Programmes
- Designing Information Systems Architectures
- Managing End User Computing
- Building Effective Organization Structures
- Senior Management Education

The European Office in London is expanding to meet the demands of our clients, who are mostly large and multinational in the US and Europe. We seek several senior consultants capable of working with the highest levels of our client management and able to rapidly assume management responsibility in our firm. The ideal candidates will have the following attributes:

- MBA or equivalent and at least 10 years' experience, half of which have been in the computer field
- At least six years' experience in a management position
- Contributor and innovator in one of our practice areas
- Familiarity with large multinational company environments

Please address applications to:

**Nolan, Norton & Company**  
John Daniels, Managing Principal - Europe  
Room 200  
One Lumley Street  
London W1Y 1TW

## Deputy Tax Manager

LONDON

**£16/18,000**

US multinational clients in the oil sector seek a qualified Accountant, aged 26/30, capable of further rapid advancement into senior financial or tax management in the UK or overseas.

Training and motivating a small staff, the post-holder will assist the Tax Manager with regard to both corporate compliance and planning work in the context of the Company's extensive African operations. Liaison and advice form a large part of the role and will require the person appointed to travel extensively in Africa.

Some exposure to international tax planning gained in either the profession or industry is essential, as are sound inter-personal skills and developed analytical abilities. Some facility in French is desirable.

Please telephone or write briefly for a personal history form, quoting ref. LG 464, to John Constable, Regional Director.

**Management Personnel**

Recruitment Selection & Search  
67/68 New Bond Street, London W1Y 9DF  
Telephone: 01 408 1612

**AITKEN HUME (GUERNSEY) LIMITED****LONDON REPRESENTATIVE**

Aitken Hume (Guernsey) Limited, the Guernsey banking subsidiary of the fast growing Aitken Hume financial services group, intends to appoint a London Representative.

Applicants for the position should have specific experience of offshore banking, trust and company administration business.

This is a new appointment which offers considerable scope for personal initiative. The London Representative will report to the Board of Aitken Hume (Guernsey) and be responsible for development of the Bank's existing international business, including liaison with clients and professional firms locally and overseas.

The preferred age is 30-40 and the salary is negotiable.

Please send CV marked "Strictly Confidential".  
Reference "JPW" to Aitken Hume Group,  
One Worship Street, London EC2A 2HQ.

**INTERNATIONAL BANKING****Interesting and varied banking and data communications applications.**

Expanding international bank is looking for analyst/programmer with relevant experience in banking or related areas. Knowledge of AIMS and DEC desirable but not essential. Attractive salary plus benefits.

Apply: Box No. A8179, Financial Times, 10 Cannon St. London EC4P 4BY.

**MIKE POPE & ASSOCIATES**

Banking & Money Broking Recruitment Consultants

**SALES EXECUTIVE**

Our client, an International Company supplying information and pricing of securities and equities to the financial community on V.D.U. systems, seeks a Sales Executive. Experience in North American equities preferred. Salary c. £11,500 plus very generous commission.

Please apply to Mike Pope on 01-626 5191  
1/2 GRACECHURCH STREET, LONDON EC3.

**The Institute of Chartered Accountants of Scotland**  
(Incorporated by Royal Charter in 1854)

## SECRETARY OF THE INSTITUTE

The Institute seeks a successor to its present Secretary, Mr G. R. G. Stewart.

The Secretary is the chief officer and main adviser of the Institute and is responsible to the President and the Council for contributing to the development of policy, for the implementation of policy and for the management of the Institute's organisation which provides a variety of services for its members, including publishing and research, and which also undertakes the professional education of its students.

The duties of the Secretary include maintaining an effective relationship with members and students, with other professional institutions in the United Kingdom and abroad, with members of Parliament, with government departments and other public authorities, with representative associations in industry and commerce, and with the media. The Secretary, who will be located in Edinburgh, travels a great deal and has frequent evening engagements.

The successful candidate will be a proven manager and an effective leader, organiser and administrator with skill in drafting and as a communicator; is likely to have a university degree and/or a professional qualification; to have had experience in either accountancy practice, public administration, banking, the administration of the law, education or company secretarial practice, and to be aged about fifty.

The starting salary will be around £30,000.

Please write in confidence with career history, education, qualifications, age, current salary and emphasising relevant experience to:

**The President (addressee only)**  
The Institute of Chartered Accountants of Scotland  
27 Queen Street, Edinburgh EH2 1LA

**LEADING AUSTRALIAN BANK**

seeks

## SENIOR FX DEALER

A Senior FX Dealer is required to join an expanding Dealing operation.

Applicants should be aged 25/35, active in the London Market with at least five years' experience.

An ability to train, motivate and supervise staff is essential.

Competitive salary commensurate with experience plus benefits.

Please send full career details to Box A8177,  
Financial Times, 10 Cannon Street, London EC4P 4BY



# International Appointments

## Banking Opportunities in South Africa

Nedbank is the largest South African owned bank, with assets exceeding 8 000 million rand. Our progressive, innovative approach to banking, combined with an energetic new business policy has led to outstanding growth and profitability. We are highly automated and have an extensive and sophisticated country-wide, on-line facility which makes the frustration out of communications.

Decisive management, initiative and original thinking are recognised as key factors in the continuing development of existing and new services encompassing a broad spectrum of banking activities both in Southern Africa and internationally.

To join our Team - the Senior Management of tomorrow - and to play a vital part in our future success, we are looking for men/women who are:

- in the age range 30-35
- A.I.B. qualified and preferably graduates
- possess proven ability, gained in a large commercial, organisational or equivalent banking environment

• experienced in either/or credit lending, project finance, corporate banking  
Above all else we need talented professionals who want to advance in the world of banking by merit and achievement.

The successful applicants will be based in one of South Africa's major commercial centres and will enjoy working in a truly stimulating environment where personal contribution is encouraged and recognised.

Attractive salaries and excellent benefits are the immediate rewards - the long term rewards are unlimited.

To apply, write to the Chief London Manager, quoting Ref. No. FT 743 on both envelope and letter, with details of qualifications and experience - Nedbank Limited, Nedbank House, 20 Abchurch Lane, London EC4N 7AD. Full details of relocation expenses and the life-style you can expect in South Africa will be furnished at the initial interview.

If you're serious about a career join the people who are serious about banking.



Nedbank Limited Registered Commercial Bank

### BACHE HALSEY STUART (MONACO) INC.

Seeks Account Executives with established clientele. Direct lines to London and U.S.A. Numerous financial advantages. Pleasant offices in ideal Mediterranean location.

Contact:  
T. Van Esche, Manager,  
BACHE HALSEY STUART,  
Sporing 57/58,  
Monte Carlo (Monaco).  
Telephone: (93) 80 71 71

### EMPLOYMENT CONDITIONS ABROAD LIMITED

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### INTERNATIONAL APPOINTMENTS

Appear every Thursday

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## FINANCIAL MANAGER (2 Posts) Ministry of Agriculture Ministry of Education

### LESOTHO

Required to establish and maintain an integrated plan for an effective Financial and Accounts Division and for furnishing appropriate advice on financial, accounting and administrative matters; Design and implement under general direction of the Chief Financial Manager located in the Ministry of Finance, appropriate financial systems and procedures for purposes of effectively controlling all budgetary operations of a Ministry; Guide and train senior and middle management level of finance officers in their duties and responsibilities; in collaboration with operational, Finance and Planning staff, prepare:

- short, medium and long term capital and revenue development programmes, including the assessment of the recurrent costs implications of proposals made;
  - recurrent annual budgets;
  - prompt preparation and submission of financial statements and returns both to senior management in the Ministries and the Ministry of Finance.
- Applicants should be UK citizens possessing a University degree in Public Finance and Administration plus a minimum of 5 years relevant

experience; members of the Institute of Cost and Management Accountants or the Chartered Institute of Public Finance and Accountancy.

Appointment 2 years. Salary (UK taxable) in accordance with qualifications and experience, plus a variable tax-free Foreign Service Allowance currently in range £884 - £2,445 per annum, depending on domestic circumstances.

The posts are wholly financed by the British Government under Britain's programme of aid to the developing countries. In addition to basic salary and overseas allowances other benefits normally include paid leave, free family passages, children's education allowances and holiday visits, free accommodation and medical attention.

For full details and application form please apply, quoting ref AH 372 (AGL) stating post concerned, and giving details of age, qualifications and experience to: Appointments Officer, Overseas Development Administration, Room 361, Abercrombie House, Edinburgh Road, EAST KILBRIDE, Glasgow G75 8EA.



## OVERSEAS DEVELOPMENT

BRITAIN HELPING NATIONS TO HELP THEMSELVES

## TECHNICAL DIRECTOR FOR PROGRAMMING AND BANKING STUDIES

The Emirate's Bankers Training Institute invites applications for the above vacancy on the following terms and advantages.

### I-Conditions:

- The applicant should hold a Master's Degree in Business Administration (Banking) or its equivalent as a minimum qualification requirement.
- Experience of not less than 7 years in Banking and Bank training, with previous experience in programming, planning and designing of courses and its execution.
- Should have a good command over spoken and written Arabic and English Languages. Priority shall be given to those with previous knowledge of the Middle East.
- Age should not exceed 50 years.

### II-Job Specifications and Advantages:

- Salary shall range between U.S.\$70,000 and U.S.\$80,000 per annum, plus other benefits.
- Suitable furnished accommodation shall be provided.
- Free Medical care in the U.A.E. for the employee and his family.
- A suitable car shall be provided.
- Annual air tickets for him, his wife and up to three children below 18 years of age.

III-Date of Application: Applications with photocopies of qualifications and experience certificates should be received not later than 30.4.1983 addressed to:-

The Governor, UAE Central Bank, P.O. Box 854, Abu Dhabi, United Arab Emirates.

## BANK EXAMINERS ABU DHABI

Age: 30-45 Salary: \$32,000-50,000

A major bank in the United Arab Emirates seeks three examiners to strengthen its inspection function.

### NATURE OF WORK

As leaders of a team of examiners they will be involved in review of loan portfolios and cover all aspects of retail and money market banking operations. They will be expected to form an opinion on the soundness of bank assets, profitability of its operations, quality of management and internal controls.

### EXPERIENCE REQUIRED

Candidates must be qualified accountants (ACAS or equivalent) and have at least five years' post-qualification experience in an audit firm as external auditors for client banks or senior bankers with a minimum experience of 10 years, at least five of which as internal inspectors.

### TERMS

The contract will be for an initial period of two years, renewable thereafter annually. Salary will be negotiable in the range of \$32,000-\$50,000 according to the candidate's experience, free of tax. In addition, free furnished accommodation, medical expenses and other attractive benefits will be offered. Details of such benefits will be discussed at interview.

Please send c.v. with full details to:

Box A.8176, Financial Times  
10 Cannon Street, London EC4P 4BY



David Grove Associates

Bank Executive Recruitment  
60 Cheapside London EC2V 6RX Telephone 01-248 1858

### BANK SYSTEMS DEVELOPMENT - Middle East

Our client is a Middle East based Bank with international branches.

This is an appointment at senior management level for an experienced bank operations manager with a minimum of 5 years Data Processing development experience. Candidates will have a good academic record, probably at University level.

The successful candidate will be responsible for managing the Bank's systems development worldwide and mobility is therefore a necessity.

Candidates should have a high degree of self motivation, a lively and innovative mind and an ability to communicate at the highest level both orally and in writing.

The remuneration package is negotiable but will reflect the importance of the appointment within the Bank organisation.

Please contact David Grove on 01-236 4441.

## GENERAL APPOINTMENT

£14,000 p.a.  
Financial Analyst  
LONDON  
International Group

An articulate Accountant or numerate graduate, male or female, aged 23 plus. Candidates must have computerised systems experience and business acumen. European languages and/or MBA would be desirable but not essential. Outstanding career prospects leading to Financial or General management within three years. Excellent benefits package, which includes pension/life cover and re-location expenses.

Suitably qualified candidates please phone 01-631 1444 for an application form quoting MRD 30016 (24 hour service).



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A rapidly expanding Saudi firm of Certified public accountants, requires experienced Chartered Accountants—who are single, and trained with medium or large firms—for their offices in Jeddah, Dammam and Riyadh.

Attractive salaries are offered free of tax with accommodation, transportation allowance and 40 days annual leave with paid air fare.

For interview from 11th-17th April 1983

please call Dr Alamri

Telephone 722 7711 Ext. 349

7th/14th April

## NETWORK

Recruitment and Services to the Communications Industry  
INVESTMENT ANALYST  
BUILDING/PROPERTY SECTORS  
C. £20-25,000

We have been retained by a major research-based firm of international institutional stockbrokers seeking an Investment Analyst to specialise and report on U.K. companies in the above sectors. The successful applicant will work closely with a leading Building/Property Institutional Analyst. Specialist, and have direct contact at the highest level. He/she will be expected to undertake corporate work with the aim of bringing suitable companies to the U.S.M. This position is a challenging one offering an opportunity to join a rapidly expanding area of the market. The remuneration offered reflects the experience and degree of motivation necessary to achieve success in these two highly competitive market sectors. Please contact Amanda Davies who will treat all enquiries in the strictest confidence.

25 MANCHESTER SQUARE, LONDON W1M 5AP  
Tel: 01-485 0561/2089

## CHIEF EXECUTIVE OFFICER

Our International Co. with 7,000+ employees needs the proven Chief Executive. You will have total world wide responsibility for all operations, and will report to the Board Chairman. Your past experience must include proven performance as CEO of a substantial company. This position is based in Europe.

For full particulars, send resume in total confidence to:  
D. Wells, P.O. Box 1426, San Mateo, CA 94404, U.S.A.

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EXECUTIVE SEARCH KNOWS NO FRONTIERS... For many top-level jobs today, it is no longer important what nationality you are. So the Executive Search Consultants who have to find the right man would welcome suitable candidates from abroad.

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SPECIMEN - TEL. (33) 1-524.63.45  
NEW YORK PARIS

## INTERNATIONAL BANK - U.A.E.

The bank has immediate openings for the following qualified personnel.

### INTERNAL AUDITOR

Chartered Accountant with three years post qualification experience. Exposure to bank audits will be an advantage. The application should be addressed to the manager - audit division.

### FINANCIAL ANALYST

MBA or CA. The successful candidate will be experienced in the financial appraisal of new and on-going industrial projects, and should be able to work with an interdisciplinary team on project development, appraisal and monitoring.

The application should be addressed to the manager - evaluation division.

Please send detailed CV with a recent photo to: PO Box 2722, Abu Dhabi, United Arab Emirates.

## Financial Controller International Manufacturing and Construction Company £30,000 Tax Free Saudi Arabia

Our client is a major North American manufacturing and service organisation with international revenues in excess of \$2bn and manufacturing facilities in 17 locations.

The operating division of Saudi Arabia is based in the Eastern Province and is a recognised leader in the turnkey provision of modular shelters.

They require a career orientated and highly motivated Financial Controller to join their existing management team. He will be a Chartered Accountant with international experience of the wide spectrum of financial control. He will report to the President and will be expected to translate, formulate and carry out corporate financial-policy decisions.

This position is viewed as permanent and offers excellent career prospects and advancement.

The benefits package includes excellent accommodation, messing car, on an accompanied or bachelor status.

Applicants should be in the age range 32-40 with previous overseas experience in a senior position.

Please send full CV to: Richard Brooks & Partners, 57 Eden Street, Kingston on Thames, Surrey. Tel: 01-549 6660.



Richard Brooks and Partners Ltd.  
International Management & Recruitment Consultants

## MANAGER

FOREIGN EXCHANGE SETTLEMENTS DEPARTMENT  
SAUDI ARABIA

A major financial institution based in Riyadh, Saudi Arabia, urgently requires a Manager for its Foreign Exchange and Money Market Settlements Department. The manager, who will be based in Riyadh, will be in charge of a Settlements Department supporting a large and active dealing room. Candidates will have at least 10 years' banking experience including 3 years in a management capacity of a Settlements Department. The successful candidate will be offered a competitive two-year renewable contract, including an excellent tax-free salary, free furnished accommodation, car, medical scheme and annual leave with air fares paid to the country of domicile for the employee and his family.

Please send resume and salary history to:  
Box A8181, Financial Times  
10 Cannon Street, London EC4P 4BY



# Accountancy Appointments

## Group Financial Controller

Exceptional  
Challenge

Central London  
over £17,000+car



Arthur Young McClelland Moores & Co.  
A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

This will prove to be the toughest, yet most exciting and satisfying job in your career to date. The group is growing rapidly and successfully, entrepreneurial in style, driven by the profit motive and tightly controlled. Development and acquisitions have made it a major British multinational.

The objective of this new position is to free the Finance Director from day to day involvement by leading a small head office professional team. The challenge is to meet all deadlines for financial and management information while playing a major role in systems development and confidential projects. Success will be measured by your ability to represent the company, outgrow the job and justify promotion.

Candidates must be Chartered Accountants who can demonstrate outstanding ability through academic success and rapid promotion. Personal qualities of commitment, integrity, maturity and confidence are essential. Age range: 28-33. Please write in confidence giving concise career and personal details and quoting Ref. ER805/FT to P.J. Wilkinson, Executive Selection.

Arthur Young McClelland Moores & Co.,  
Management Consultants,  
Rolls House, 7 Rolls Buildings,  
Fetter Lane, London EC4A 1NH.

### FINANCIAL ADMINISTRATOR

A large International Partnership of Consulting Engineers invites applications for the position of Financial Administrator working in their West End offices. Applicants should be qualified accountants, aged over 35 years with several years experience of computerised accounting systems. The successful applicant will assume control of the entire accounting function within the Partnership and will make a positive contribution through initiative, confidence and good communications skills. Preference will be given to candidates with relevant commercial experience.

Please send your application and C.V. to:  
Mr H. R. Brown,  
SIMON LEWIS WAYNE  
& PARTNERS  
Charterhouse, Queens Avenue,  
London N21 3JE

## Management Accountant

Nr Brighton Up to £13000 (initial 3 year contract)

The Institute of Manpower Studies is an independent research institute located on the University of Sussex campus. It works under contract for some 100 public and private sector organisations, running a well supported training programme with a rapidly developing publications section.

Due to the changing nature of our work and the rapid growth in our business, we are now looking for a Management Accountant who, as well as carrying out the normal functions of the job will be required to instigate a review of the whole of the Institute's procedures for accounting and financial management.

As a member of the Institute's management team, your task will be to advise on the changes necessary for improving the flow and quality of information available. In particular this will involve you in making a feasibility study of the advantages of computerisation, specifying systems relevant to the Institute's needs and recommending appropriate hardware and software.

You should be a part qualified or qualified Accountant with a good knowledge of computerised accounting systems.

Since the work of determining, designing and implementing any new systems is clearly a specific project and could vary from its subsequent management, you will be on a three year contract initially - but with the possibility of the post becoming permanent.

Applications by 26th April, 1983 to:  
Clive Purkiss, Director, Institute of Manpower Studies,  
Mantell Building, University of Sussex, Brighton BN1 9RE  
Tel: (0273) 686751

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INSTITUTE OF  
MANPOWER STUDIES

## Reed Executive

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### Financial Controller

Central London

to £15,000 + Car

The company provides television facilities, an exacting 24 hours a day business, and has shown a dramatic growth rate since its comparatively recent formation. Consequently the Managing Director now needs a young qualified accountant to take charge of all financial matters, provide advice and information, ensure that accounting systems are adequate for the company's future expansion, and liaise with clients. Aged 25/30, personable and articulate, with at least two years post qualifying experience and ideally knowledge of the film/television industry, you will be looking for a grass roots opportunity in a growth area with eventual Directorship prospects.

Telephone: 01-247 9431 (24 hr service) quoting Ref: 0909/FT. Reed Executive Selection Limited,  
122 Whitechapel High Street, London E1 7PT.

The above vacancy is open to both male and female candidates.

London Birmingham Manchester Leeds

Recently qualified to join a leading money broker ...

### FINANCIAL CONTROLLER

City

c£15,000+car

Our client, a publicly quoted U.K. group, have offices throughout the world's most important financial centres. Operating within the demanding and exciting environment of international money broking, they have established an excellent reputation and have a long history of successful trading.

They now wish to recruit a qualified accountant to take responsibility for the total accounting function and systems development within their London office.

Candidates should be qualified accountants with at least two years post qualification experience gained outside public practice. The successful candidate will need to demonstrate a high level of technical knowledge and personal qualities including the ability to communicate and organise effectively.

Applications should be sent to Richard Norman FCA at our London address quoting reference 3912.

410 Strand, London WC2R 0NS. Tel: 01-836 9501  
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101  
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

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## Assistant Financial Controller

International  
Oil Exploration

London W1

c.£18,000



Arthur Young McClelland Moores & Co.  
A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

The company, part of a major international integrated oil group, takes responsibility for exploration activity world-wide. Since formation in 1981, growth has been dramatic, and has created this new position.

The Controller's major responsibilities are for all accounting and management information activities in the head office and remote sites, together with a commercial role in negotiations. This latter aspect is substantial and frequently takes him out of the UK. The assistant will be responsible to the Controller for the financial direction of the world wide activities.

Candidates must be qualified accountants in their 30s with financial control experience

Ideally gained in the oil industry. Flexibility in approach, commitment, tact and strength of character are essential qualities. Occasional international travel may be required and therefore additional languages would be an advantage.

Please write in confidence giving concise career and personal details and quoting Ref. ER804/FT to J.J. Cumore, Executive Selection.

Arthur Young McClelland Moores & Co.,  
Management Consultants,  
Rolls House, 7 Rolls Buildings,  
Fetter Lane, London EC4A 1NH.

### ACCOUNTANCY APPOINTMENTS

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Rate £31.50

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Selection Consultants

### Accountant - Merchant Banking

Credit Suisse First Boston Limited, a major international investment bank, is looking for an accountant to join the Accounting Reporting and Control Department. Reporting to the Chief Accountant, the successful candidate will be involved in management and financial accounting, corporate tax affairs, project work and central bank reports.

Candidates should be qualified accountants (ACA, ACCA) with experience of auditing bank's accounts or direct experience with a bank. They should be able to communicate well with all levels of staff, and be capable of assuming increasing responsibility as the bank expands.

An attractive salary will be offered, together with the usual banking fringe benefits. Please write enclosing full curriculum vitae to: T.M.B. Kerrigan, Credit Suisse First Boston Limited, 22 Bishopsgate, London EC2N 4BQ.

### CSFB

c.£16,000 p.a.  
Financial/Econ Analyst  
HOME COUNTIES  
FMCG

A graduate or equivalent with an MBA and ideally an accountancy background, male or female, aged 25-29. Must have 3-4 years experience of capital/economic appraisals and management reporting. An outstanding career opportunity. Fringe benefits include contributory pension, medical/life cover, annual bonus and relocation expenses.

Suitably qualified candidates please phone 01-631 1444 for an application form quoting MRD 30017 (24 hour service).

### MRD

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Consultants to Management to Executive Placement since 1946.

## Sales and Marketing Accountant

Eastern Counties c. £11,000 per annum.

A rapidly expanding market leader in the home improvement industry requires a qualified accountant to support its Sales and Marketing department. This is a new appointment necessitated by levels of turnover in excess of £30m, and a £3m+ marketing budget. Responsibilities of the position encompass the total area reporting to Sales and Marketing Management. The ability to communicate succinctly at all levels is required, particularly as the information produced often plays an important part in policy decisions at Board level. This is a demanding position requiring, in addition to the normal qualities of an accountant, an unusual degree of self-motivation, initiative and commercial acumen. Experience of computerised systems would be mandatory. It is unlikely that accountants over the age of 35, to whom the remuneration package was acceptable, would have the required capabilities.

The position reports to the Finance Director, with close functional responsibility to Senior Sales and Marketing Management. Terms and conditions of employment include four weeks holiday, a subsidised canteen and voluntary private health scheme. The Company is part of a rapidly diversifying private group and career opportunities are good. Interested applicants should ring Mrs. J. Thorpe on Peterborough 236333 for a full job specification and an application form.

## FINANCIAL CONTROLLER

City

£17,000 to £20,000

Our client is a well known merchant bank. Continuing growth and an internal re-organisation have resulted in the creation of this new appointment. Reporting to the finance director the financial controller will be responsible initially for the development and maintenance of the reporting and accounting systems, the treasury function, and internal audit. Success in these areas can lead to career progression to a senior level in the bank.

Candidates should be qualified accountants preferably in the age range 28-32. Relevant experience in banking or a related activity would be advantageous as would a period in departmental management. The position is demanding and will require a leader with an alert mind. Applications giving a career history and personal details should be sent in confidence to DWE Apps quoting ref FT/243/A at:



Ernst & Whinney Management Consultants  
Becket House, 1 Lambeth Palace Road, London SE1 7EU.



# Accountancy Appointments

## Financial Control

High Technology c. £20,000

For a major communications group operating in the U.K. and internationally which continues to grow rapidly in a competitive environment. Bouyant demand, the research programme and the introduction of new products have created an increasing need for improved management information. In this new position of Group Management Accountant you will work near main board level and have close links with the operating divisions. Business plans, pricing policies and costing systems will all come under review, indicating the need for skill in systems development allied to a strong commercial instinct.

You will be a qualified accountant probably aged from 35. You must have substantial budgeting, costing and management accounting experience gained with a group operating sophisticated reporting procedures. The base is London, with some U.K. travel. Write in confidence to E.H. Simpson, quoting ref. S123, at 10 Bolt Court, London EC4 (telephone 01-583 3911).

Chetwynd  
Streets

Management Selection Limited

## OPPORTUNITIES IN THE TRAVEL INDUSTRY

We are a leading Tour Operator within the Travel Industry, located in South East England, with an annual turnover in excess of £50 million. We also own and operate hotels in the United Kingdom and maintain a substantial cash investment portfolio of which industrial leasing is a significant part. The following positions are now offered in our young management team:

### Group Financial Accountant c.£16,000

Male or female, preferably aged between 25/35, should be qualified accountant with experience in a medium to large industrial or commercial company, reporting to the Finance Director and supported by a staff of 50. The successful applicant will be responsible for the full range of financial accounting activities within the Group including an operating division in the United States. Remuneration package—salary up to £16,000, company car, non-contributory pension and life assurance scheme, non-contributory personal medical cover and relocation expenses.

### Young Qualified Accountant c.£11,000

Qualified accountant in his/her twenties with prime responsibility for monitoring company cash flow, investments (including leasing finance) and foreign exchange trading exposure together with normal duties concerning the preparation of annual and quarterly financial accounts for the Group.

If you are interested in either of the above appointments please write with full CV to Box A8183, Financial Times, 10 Cannon Street, London EC4P 4BY.

## International Division Controller

London c.£16,000 + Car

A major UK food group, our client is continuing expansion both organically and through acquisition.

Ensuring the timeliness and quality of financial information and responsible for its review and interpretation for the Divisional Director, the Controller will be concerned with trading operations in the USA, Australasia and Europe.

Travelling occasionally within the region, the Controller will guide the operations within group strategy and assist them in its achievement. Projects may include major capital expenditure reviews, determination of systems philosophy and acquisition investigations. As the financial representative of the division in the head office he or she will have necessarily substantial exposure to group senior management.

Applicants should be graduate qualified accountants with a minimum of two years experience in either commerce or industry. Experience gained in international operations is considered desirable. Please write, enclosing a career history and day-time telephone number, to David Hogg FCA, quoting reference 1/2166.

EMA Management Personnel Ltd.  
Ratton House, 20/23 Holborn, London EC1N 2JP  
Telephone: 01-242 7773 (24 hours).

## ASSISTANT GROUP TREASURER

The TI Group is an international organisation comprising over 60 companies with diverse interests in domestic appliances, consumer and specialised engineering products. Group Sales exceed £800m. The post is at Group level and reports to the Director of Corporate Finance at the Group's Headquarters in Birmingham.

The position will cover various aspects of treasury work involving regular contact with banks, assistance in arranging facilities for Group requirements, reviewing financial structures of overseas subsidiaries and advising on cash management and overseas exchange control regulations.

Candidates, probably in their mid-thirties with a degree and/or accounting qualification, should have had previous experience in the treasury function in an industrial or commercial environment. The ability to relate effectively with external organisations and the potential to assume significant responsibilities are seen as key requirements. The salary will be competitive and the benefit package will include the provision of a car. Assistance with relocation will be given where appropriate.



Applications, including a detailed CV, should be forwarded to:  
K. J. Simpson, Personnel Manager, TI Central Organisation,  
71 House, Five Ways, Birmingham, B16 8SQ.

ACCOUNTANCY  
APPOINTMENTS  
APPEARS EVERY  
THURSDAY

INSTITUTE OF OPHTHALMOLOGY  
Juno Street, London, WC1N 3QS

### ACCOUNTANT

Applications are invited from appropriately qualified persons with good experience, preferably obtained in the University or Hospital sector, for the appointment of Accountant, which will date from 1st June, 1983, or as soon as possible thereafter. Salary will be in the scale £11,225-£14,655, including L.A. (under review). Further information and application form may be obtained from the Secretary, Institute of Ophthalmology, Juno Street, London WC1N 3QS, to whom completed application forms should be sent by 28th April, 1983.

### FINANCIAL DIRECTOR

U.S. Company with extensive European operations seeks individual with minimum 10 years experience in international finance and accounting management. Fluent English, French and Spanish necessary.

Send resume and salary history to:

K. LEWIN ASSOCIATES  
30 Broad Street, New York  
New York 10004 U.S.A.

## Young Financial Controller

Reading Area  
to £15,000 plus car  
and profit share

With its increasing sales momentum, extensive new facilities and wide range of new products, this profitable electrical appliance distributor is confident of maintaining its rapid expansion of the past few years.

They now need an ambitious young Qualified Accountant, aged around 27, to take charge of all accounting, financial and administrative aspects of the business including the development of improved d.p. based management information systems.

The position calls for at least 2 years post qualifying commercial experience involving d.p. systems and the ability to exert stringent financial control in a fast moving, fast growing environment. Keen commercial awareness is a critical requirement to enable you to work effectively with the Managing Director in developing the business.

An attractive remuneration package, including a car and relocation assistance, is offered with good prospects of career advancement.

Please send concise personal, career and salary details, quoting ref. WSG 300 to: W S Gilliland, Executive Selection Division,

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

## ACCOUNTANT MERCHANT BANKING

P. S. Refson & Co. Limited, an expanding Merchant Bank, is seeking a qualified accountant to head its accounts department.

Applicants should be aged 26-30 and have trained with one of the larger practising firms. Working experience in the banking or financial sector is desirable but high-calibre applicants with good exposure to these areas will also be considered.

Apart from being responsible for the financial and management accounting aspects, the successful candidate will be expected to play an active part in a continuing programme of systems development throughout all areas of the bank's operations, utilising the latest technology.

Salary and benefits will reflect the importance attached to this position.

Please write fully, in confidence to:—

C. J. Charlwood, Director,  
P. S. Refson & Co. Limited,  
13 Austin Friars,  
London EC2N 2HE

## Chartered Accountant

### Reading Berkshire

Kellock Factors Limited, a subsidiary of Kellock Trust PLC and an associate company of Bank of Scotland, are seeking a young Chartered Accountant to fill the post of Chief Accountant at their Reading headquarters. Since incorporation in 1976 the company has grown steadily in turnover and profits each year. In 1982 turnover will exceed £90,000,000.

This unique post offers an exciting challenge and excellent rewards for a recently qualified Chartered Accountant who, by a first class academic record to date, has demonstrated the will and ability to move quickly into senior management positions with a rapidly expanding successful diversified financial services group. It is expected that the appointment will lead within a year to the position of Group Company Secretary, reporting directly to the Managing Director and becoming part of a small successful management team.

Please telephone or write for further details and an application form to:

Benjamin J Allen MA MBA FCA  
Managing Director  
Kellock Factors Limited  
28 Friar Street Reading RG1 1DP  
Telephone 0734-585511  
Kellock Associates Company of Bank of Scotland

## Financial Controller

to £20,000  
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Zimbabwe seeks crucial  
payments boost from  
tobacco sales, Page 41

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## SECTION III - INTERNATIONAL MARKETS

# FINANCIAL TIMES

Thursday April 7 1983

### WALL STREET

## Rates slide is mixed blessing

AN INITIAL pause for breath on Wall Street yesterday, as investors adjusted to the sharp fall in interest rates at the close of the previous session, later gave way to a further lowering in yields at the short end of the credit market but persistent weakness in leading shares, writes Terry Byland in New York.

At the close, the Dow Jones Industrial average had improved from earlier lower levels but was still 6.7 down on the day at 1113.49.

The government bond and bill sector remained impressed by the encouraging views on inflation from a leading official at the Federal Reserve, but retail support was dampened by settlement day operations at the major banks.

A further \$1.5bn customer repurchase by the Fed, making \$7.5bn over the trading week, was no surprise but bill yields turned down after the announcement.

Federal funds settled down at 9 per cent, higher than the market would like, but a shade below the overnight rate.

Discount rates on three-month bills, at 8.39 per cent, were nine basis points down and the six-month, at 8.44 per cent, was also lower.

Long-dated bonds opened firmer but early gains were reduced with the benchmark long bond, the Treasury 10% of 2012, unchanged at 98 1/2 at mid-session against 98 3/4 earlier.

In the municipal bond sector, where yields reflect the tax-exempt status of the securities, \$3.9bn of New York state bonds, due 1984, were priced to yield between 5 per cent and 6 per cent.

In stock markets, motor shares met some selling after analysts had drawn attention to the sluggish trend in car sales. General Motors fell by 1 1/4 to \$56 1/4. Chrysler lost 5/8 to \$16 1/4.

Activity developed in gas suppliers' shares after several major producers said they were trying to renegotiate expensive commitments.

Standard Oil of Indiana at \$42 1/4 put on 3/4. Shares in Panhandle Eastern were also busy but a shade easier at \$25. Columbia Gas Systems, a New York supplier which has asked the Federal authorities for permission to cut rates, edged forward by 3/4 to 29 1/4.

Oil shares turned lower in fairly active trade. Exxon was firmer at first but soon fell back 5/8 to \$30 1/4, while Standard Oil of California at \$37, Standard Oil of Ohio at \$43 1/4 and Mobil at \$28, all lost 5/8.

Shares in Biscayne Federal Savings and Loan, Miami fell heavily before being suspended at 5 1/2 pending an announcement.

The company would make no comment. Also easier were Kaufman and Broad, the housing and insurance group which has a 25 per cent stake in Biscayne. Kaufman slipped 1 1/4 to \$20.

After a firm start, IBM turned lower and was 5/8 down at \$101 1/4. Rival manufacturer, Honeywell put on 5/8 to \$88 1/4 on the announcement of a new personal computer.

Data General, one of Tuesday's stars, gave up 1 1/4 to \$63 as profit-takers moved in.

Features elsewhere included Interpace, a New Jersey construction company facing a \$132m bid. The shares consolidated at \$29 for a gain of \$5 on the pre-bid price.

Baldwin-United, the troubled financial services group, fell 5/8 to \$14 1/4 after disclosing a loss of \$2.8m in the final quarter of last year.

Flexi-Van, which announced that it is suing Mr David Murdoch - the Los Angeles entrepreneur who was ousted as chairman a week ago - edged higher to \$27 1/4, but was below its best levels.

In Toronto, only gold issues showed any real strength in a generally weaker market. Montreal showed a similarly easier tone, with only utilities marginally ahead.

### LONDON

## Boom as tax shackles are shed

FREE OF the shackles of financial year-end and capital tax considerations, London stock markets enjoyed a trading boom yesterday. Drawn by a continuation of sterling's impressive rally and revived optimism about a return to cheaper money trends both in Britain and the U.S., heavy domestic and overseas investment support took government securities up sharply.

The untapped longer end of the gilt-edged market was outstanding with stock shortages accelerating the rise in values. Gains stretched to 2 1/2 points before being clipped late to 2 1/4, while recently subdued shorter maturities came into their own and closed with rises of a point and sometimes more.

Favourable UK monetary statistics and wholesale price indices later lent support to the strong tone. Undated and index-linked stocks were swept higher too.

Prospects of lower UK base rates gave equity markets a boost and the FT Industrial Ordinary share index jumped 9.9 to 663.9, less than 10 points short of last month's all-time peak. Buyers were selective, but some sectors experienced a welcome increase in business. Oils were busy, reflecting lessening downward pressures on crude spot prices.

Debutant Datastream, after initial easiness at 228 p, settled at the day's best of 242p compared with the tender price of 225p.

An 11 per cent dividend increase by insurer Sun Alliance and annual profits at the top end of market expectations prompted a jump of 5 1/4 to £10 1/4. Phoenix, on the other hand, reacted sharply from a firm level of 332p to close a net 8p down at 312p following a disappointing 4 per cent dividend increase and sharp contraction in profits.

Leading retailers responded to steady institutional support and closed at the day's best. Marks and Spencer rose to 10p for a two-day advance of 17p to 209p. Rises of 7p to 9p were recorded in Boots at 243p, Burton at 334p and British Home stores at 213p.

South African golds made further strong progress despite a quiet performance by the bullion price. Fresh speculative buying led to further gains in the heavyweights, featured by President Steyn, up around £2 at £34 1/4 while Western Deep put on £1 1/4 to £37 1/4.

Financials featured a strong performance for Rio Tinto-Zinc, which advanced 8p more to 523p on speculative buying interest. Charter edged up to 2p to 230p and Gold fields a penny to 493p. South African financials were generally steady to a shade easier in quiet trading.

Australians were highlighted by good demand for the lending diversified mining stocks, especially Western Mining, 6p firmer at 248p; CRA, 4p to the good at 287p; and North Broken Hill, 2p higher at 100p.

Share information service, Pages 42-43

### AUSTRALIA

## Focus on stores

RETAILER Grace Bros again accounted for a large proportion of Sydney turnover, albeit light overall, and held a record A\$4 on expectations of a bid from Myer Emporium, which slipped five cents to A\$1.30.

This would compete with the offer from Bond Corporation, which eased a cent to A\$1.

But the major gains were to be found among the resources, where BHP advanced 20 cents to A\$5.70, and CSR and EZ Industries 10 cents apiece to A\$2.80 and A\$5.70 respectively.

Gold and oil explorers did well in Melbourne.

### FAR EAST

## Electricals provide Tokyo spark

QUALITY electrical issues led a Tokyo rebound yesterday which all but compensated for Tuesday's sharp falls. Energy issues were also sought but trading levels overall remained on the light side.

An announcement by Matsushita Electrical that it plans to enter the office automation market - with an optical disc storage system enabling data to be erased and replaced - pushed its stock up Y70 to Y1,350.

The buoyancy in the resource sector, meanwhile, stemmed from reports that Teikoku Oil had discovered a large natural gas deposit off Japan. Its stock was suspended while the find was confirmed, but spinoff gains included a Y90 advance for Arabian Oil at Y1,910, Y27 for Nippon Mining at Y340, Y34 for Nippon Oil at Y925 and Y20 for Sumitomo Mining and Smelting at Y1,450.

These two developments provided the motive force for a 59.06 rise in the Nikkei-Dow market average which closed at 8,479.40 after the previous day's 65.48 slide. Volume reached some 350 shares, up somewhat from the 280m on Tuesday, and the stock exchange index gained 3.06 to 613.65.

Dealers said the yen's firmness against the dollar had also assisted, but foreign investors remained on the sidelines.

Elsewhere Toyota added Y20 to Y1,060, Sharp Y30 to Y1,260 and Canon Y20 to Y1,250. Meiji Milk, a recent biotechnology favourite, improved Y26 to Y378.

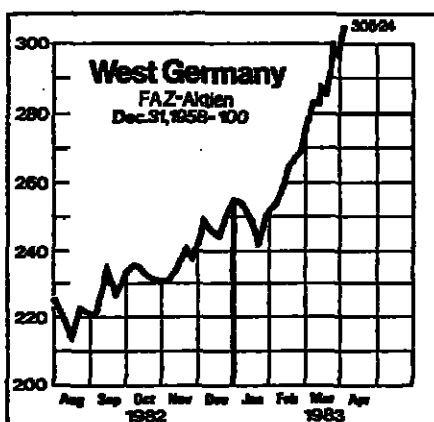
Government bond prices firmed, with yields off seven basis points at the long end.

An uncertain Singapore oscillation between profit-taking and buying support left the Straits Times industrial index 3.89 ahead at 861.97 but many leading stocks on the debit side.

Malayan Cement shed 15 cents to S\$7.40, Metro 10 cents to S\$9.40 and

OCBC fared well with a 40 cent gain to S\$10.80 against the trend.

Light Hong Kong trading in the half-day midweek session following the resumption of trading allowed the Hang Seng index to edge up 2.47 to 998.48. Jardine Matheson led the field with a 30 cent rise to HK\$14.30.



### EUROPE

## Frankfurt sets more records

A WEAKER dollar and hopes of easier U.S. interest rates gave a further boost to investors in Frankfurt. The FAZ 100-share index rose 4.78 to an all-time high of 306.24 while the Commerzbank index was 14.2 ahead at 923.5, its highest level since June 1981.

Turnover was heavy in continued lively buying, although some profit-taking towards the end of the session brought many shares off their highs for the day.

Blue chips, chemicals and stores led shares higher, with Kaufhof one of the day's biggest gainers and ending DM 8.30 higher at DM 250.80. Elsewhere in stores, Karstadt finished at a record high of DM 274, for a net gain of DM 7.50, but Herten fell back to close unchanged at DM 142.50, after reaching DM 145 earlier in the day.

The announcement of a 1.9 per cent

fall in February's West German industrial production did little to dampen the market's continued bullish sentiment. Daimler added a further DM 4.50 to DM 515, after hitting DM 517, and VW finished with a DM 3 gain at DM 182 after DM 184.50.

The domestic bond market was again eclipsed by the action in stocks, but many public issues still managed to add up to 40 basis points. The Bundesbank was able to sell DM 16.7m of public paper, compared with the DM 6.3m sold on Tuesday.

In Brussels, stock prices were basically steady, though foreign shares were higher in moderate trading. Holding company stocks rallied, with Bruxelles Lambert up Bfr 30 to Bfr 1880, Copeha Bfr 55 ahead at Bfr 2445, Finoutremer gaining Bfr 32 at 1,212 and Sofina up Bfr 20 at Bfr 4,715.

Steel and related stocks were broadly mixed. Arbed dropped a further Bfr 34 to Bfr 1,108, amid rumours of a possible rejection by the European Commission of a rescue plan submitted by the Luxembourg authorities last weekend.

The overnight lower trend on Wall Street led share prices lower in Amsterdam. In Dutch internationals, KLM fell Fl 1.10 to Fl 152.50 while Royal Dutch was down 60 cents at Fl 112.40. Foreign interest boosted Philips Fl 1.1 to Fl 45. In the bond market, prices were broadly unchanged in a slow session.

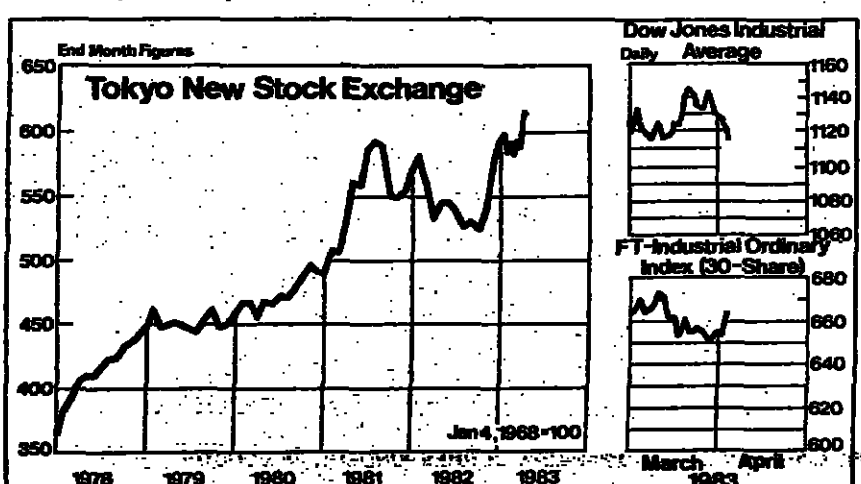
Foreign and institutional interest boosted prices in Paris, though many operators were cautious in anticipation of new industrial measures that the Government is expected to introduce soon as part of its austerity programme. Portfolios, constructions, engineering, electricals, hotels and stores closed higher.

Zurich saw prices close mixed to lower in a trendless market with profit-taking after recent strong rises sending some shares lower. Oerlikon-Bührle was down SwFr 20 at SwFr 1,480 and Pargesa fell SwFr 20 to SwFr 1,510.

Prices came under heavy selling pressure and closed sharply lower in Milan as a result of liquidation of speculative positions and profit-taking, triggered by recent significant gains. Leading banking and industrial issues were particularly hard hit.

In Madrid, stocks were mixed in thin trading, as were prices in Stockholm, where the market suffered from an absence of new factors to motivate trading.

### KEY MARKET MONITORS



NEW YORK	Apr 6	Previous	Year ago
DJ Industrials	1113.49	1120.15	839.33
DJ Transport	591.59	593.10	341.27
DJ Utilities	124.40	124.58	110.24
S&P Composite	161.70	161.89	115.30

LONDON	Apr 6	Previous	Year ago
FT Ind Ord	663.9	654.0	561.3
FT-A All-share	415.98	412.09	320.34
FT-A 500	415.88	448.82	344.02
FT-A Ind	418.53	414.34	313.89
FT Gold mines	590.5	582.5	272.4
FT Govt secs	82.03	80.57	67.11

TOKYO	Apr 6	Previous	Year ago
Nikkei-Dow	8479.40	8420.34	7293.59
Tokyo SE	613.65	610.59	535.75

AUSTRALIA	Apr 6	Previous	Year ago
All Ord	523.7	515.7	463.5
Metals & Mins	487.0	475.3	328.4

AUSTRIA	Apr 6	Previous	Year ago
Credit Aldien	52.83	52.89	53.02

BEILAND	Apr 6	Previous	Year ago
Belgian SE	117.45	117.43	102.1

CANADA	Apr 6	Previous	Year ago
Toronto Composite	2145.78	2154.7	1581.90
Montreal Industrials	352.27	363.93	279.25
Combined	357.24	358.39	268.26

DENMARK	Apr 6	Previous	Year ago
Copenhagen SE	127.52	131.92	94.85

FRANCE	Apr 6	Previous	Year ago
CAC Gen	116.50	115.7	100.2
Ind. Tendence	123.60	123.4	

WEST GERMANY	Apr 6	Previous	Year ago
FAZ-Index	306.24	301.46	238.02
Commerzbank	923.5	908.3	726.0

HONG KONG	Apr 6	Previous	Year ago
Hang Seng	998.48	996.01	1200.12

ITALY	Apr 6	Previous	Year ago
Banca Com.	204.58	210.73	196.7

NETHERLANDS	Apr 6	Previous	Year ago
ANP-CBS Gen	127.2	127.4	91.4
ANP-CBS Ind	108.0	107.9	72.9

NORWAY	Apr 6	Previous	Year ago
Oslø SE	152.11	154.16	100.83

SINGAPORE	Apr 6	Previous	Year ago
Straits Times	861.97	858.08	737.24

SOUTH AFRICA	Apr 6	Previous	Year ago
Gold	closed	759.5	478.7
Industrials	closed	834.8	591.3

SPAIN	Apr 6	Previous	Year ago
Madrid SE	114.94	113.35	280.9

SWEDEN	Apr 6	Previous	Year ago
J & P	1291.13	1280.13	578.55

SWITZERLAND	Apr 6	Previous	Year ago
Swiss Bank Ind	318.7	314.5	292.1

WORLD	Apr 6	Previous	Year ago
Capital Int'l	165.50	166.1	132.8

### GOLD (per ounce)

	Apr 6	Previous	Year ago
London	\$427.50	\$430.00	
Frankfurt	\$428.50	\$429.25	
Zürich	\$427.50	\$427.50	
Paris (Bldg)	\$432.25	\$428.00	
New York (Apr 6)	\$429.50	\$428.80	

\* Indicates latest pre-close figure

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## NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

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Thursday April

**Continued on Page 40**

**Continued on Page 40**

a-dividend also extra(a); b-annual rate of dividend plus stock dividend; c-liquidating dividend d-called new penny stock e-dividend declared or paid in preceding 12 months g-dividend in Canadian funds, subject to 19% non-residence tax i-dividend declared after split-up or stock dividend j-dividend paid this year, omitted, deferred, or no action taken at all k-dividend was included in dividend declared or paid l-dividend has an accumulative issue with dividends in arrears n-New issue in the past 52 weeks The high-low range begins with the start of trading nd-next day Dividends PPS are 12 months plus stock dividend s-stock split Delivery BPS is 12 months plus stock dividend, s-stock split Dividends BPS are 12 days of split. ab-sales, t-value paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution dates y-yearly high-low range

ab-accounting basis ac-asset class ad-advertising agency ag-agency organized under the Bankruptcy Act, or securities assumed by such companies wd-withdrawn vd-voluntary when issued wv-with warrants x-exempt from full disclosure ya-yield and sales in full, yield, z-sales in full







## COMMODITIES AND AGRICULTURE

## Farmland prices at record

By Our Commodities Staff

FARMLAND PRICES in England and Wales reached record levels in the December-February quarter, according to Agriculture Ministry provisional figures released yesterday.

The average price of reported sales totalling 143 hectares was \$4,558 a hectare, beating the record of \$4,538 set in the October-December 1982. The weighted average, which allows for area and size-group variations, was also at a new peak of \$4,583 a hectare, up from \$4,536 for the November-January period.

The Ministry said, however, that land prices showed "no clear trend" over recent months.

THIS WEEK'S rise in sterling will eliminate EEC subsidies on UK food imports, the Intervention Board for Agricultural Products forecast yesterday. The country's food import bill is expected to double following sterling's decline.

INDIA'S iron ore exports in fiscal 1983-84 may fall 11 per cent, a private exporter said. The year's sales will drop to 7.5m tonnes from 8.5m last year.

EGYPT achieved self-sufficiency within six years with the help of China, Mr. Youssouf Wail, Agriculture Minister, was quoted as saying, in the weekly magazine Al-Mussawir. He said China has agreed to provide rice seedlings to double yields to four tons an acre, as well as machinery for planting and harvesting.

RICE and corn subsidies will be given to farmers affected by a seven-month drought in the southern Philippines, the Cabinet decided yesterday. Rice subsidies will be paid to farmers at half price with payments to be made after harvest.

## EEC cuts sugar export licences

By RICHARD MOONEY

LONDON SUGAR traders were surprised yesterday when EEC export licence allocations at the Brussels weekly tender fell to the exceptionally low level reached last month following the European Monetary System realignment.

Dealers expected the tender to yield about 40,000 tonnes of licences after the granting of 50,000 tonnes last week. However, the European Commission announced a total of only 9,750 tonnes of white sugar and no raws. The subsidy level was in line with expectations at \$7.354 European currency units per 100 kg.

The tender result had little impact on futures market sentiment. There is always some uncertainty about the price implications of the EEC tender.

Some traders argue that a low allocation is bullish because it means there will be little extra EEC sugar on the world market. Others say it is bearish because it indicates low demand.

It indicates low demand. Yesterday's result was regarded in any case as untypical. It was believed to reflect continuing caution on the part of bidders following the realignment.

Many traders thought next week's tender would be high enough to compensate. A fall in futures prices yesterday had mostly taken place before the result was known, reflecting sterling's continued firmness, talk of Indian white sugar sales later this month and anticipation of a Dominican Republic tender yesterday. The August position ended the day \$2.85 down at \$129.30 a tonne.

A report published yesterday by E. D. & F. Man, the London trade house, forecast that low prices and less favourable weather would bring a fall in sugar production closed to consumption levels this year. It was even possible that supply and demand could balance.

## Values of metals ease

By Our Commodities Editor

THE RALLY in the value of sterling brought a general easing trend on the London Metal Exchange yesterday.

The cash price of high-grade copper fell by \$22.5 to \$1,075.5 a tonne. The market opened lower following the decline in New York overnight. It was hit by further selling when there was an easier than expected opening in New York.

Other metals followed the decline in copper and gold's failure to sustain its upward trend. Cash nickel dropped by \$27.5 to \$23,200 a tonne, cash lead by \$5.75 to \$2,025 a tonne and cash zinc by \$4.5 to \$4,550 a tonne. Tin values were virtually unchanged.

COCAOA prices fell sharply on the London futures market yesterday, reflecting sterling's weakness, an overnight price cut in New York and a reduced crop deficit estimate by the International Tin Council.

The July position finished \$38 down at \$1,242.50 a tonne. The market opened lower following the decline in New York overnight. It was hit by further selling when there was an easier than expected opening in New York.

Other metals followed the decline in copper and gold's failure to sustain its upward trend. Cash nickel dropped by \$27.5 to \$23,200 a tonne, cash lead by \$5.75 to \$2,025 a tonne and cash zinc by \$4.5 to \$4,550 a tonne. Tin values were virtually unchanged.

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## Legislation on deposits proposed

By Our Commodities Staff

LEGISLATION to enable commodity brokers to continue taking deposits from clients has been submitted to Parliament by the UK Treasury.

The proposed legislation, effective from April 26, was necessary because the prohibition on unauthorised deposit-taking under the 1979 Banking Act was found to extend to brokers' traditional activities, the Treasury said.

Bodies authorised under the Act have to meet more stringent requirements than are appropriate for brokers.

The Bank of England obtained assurances from the joint exchanges committee that the markets would establish arrangements to afford private clients' compensation for the loss of deposits in at least equivalent to that afforded to institutions authorised under the Act.

The committee is making progress on formulating proposals to implement these assurances, it said.

COCAOA prices fell sharply on the London futures market yesterday, reflecting sterling's weakness, an overnight price cut in New York and a reduced crop deficit estimate by the International Tin Council.

Other metals followed the decline in copper and gold's failure to sustain its upward trend. Cash nickel dropped by \$27.5 to \$23,200 a tonne, cash lead by \$5.75 to \$2,025 a tonne and cash zinc by \$4.5 to \$4,550 a tonne. Tin values were virtually unchanged.

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## Cocoa futures down sharply

By Our Commodities Staff

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## Tony Hawkins reports on the hopes for Zimbabwe's main export Tobacco sales crucial for Harare

By Our Commodities Staff

ZIMBABWE'S tobacco auction opened yesterday amid expectations of modest increases in both the volume and price of fire-cured leaf on sale.

It is no exaggeration to say that this year's sales are among the most crucial in the country's recent history, given Zimbabwe's severe balance of payments constraint and the flagging morale of farmers hard hit by two successive droughts.

Since the lifting of economic sanctions at the end of 1979, fire-cured tobacco has regained its ascendancy in Zimbabwe's export trade, accounting for more than 20 per cent of exports in the last two years.

When the sales season closed last October, Zimbabwe's 1,257 tobacco growers had sold just over 89m kg of leaf at an average price of \$2167 per kg, to give a gross income of more than \$191m (\$138.48m at 1982 prices) in foreign exchange, dwarfing the country's second largest export, gold, which was worth an estimated \$215m.

Since the sales closed last year, there have been two major developments: First, the 20 per cent devaluation of the Zimbabwe dollar last December, followed by a further 3 per cent devaluation against the U.S. currency; then the severe mid-season drought which has damaged leaf quality.

Fortunately, tobacco is a very drought-resistant crop and the Zimbabwean Marketing Board is forecasting that this year's leaf will be better than in 1982, with more than 80 per cent of the crop described as medium and good quality in content.

The precise impact of the Zimbabwe devaluation will only become evident in mid-sales. Both growers and merchants are now forecasting that overseas buyers will expect to take some of the benefits of depreciation, with the result that grower net income could well be little

changed—or even lower—than last year.

From an economic viewpoint, Zimbabwe is hoping that devaluation will generate increased tobacco export earnings in 1983 but for this to happen, both larger volumes and higher prices will be needed.

In 1982, Zimbabwe exported just over 89m kg of leaf and an average estimated price of \$2167 per kg. Exports started 1983 on a strong note with 15m kg being sold in the first two months of the year as against 8.5m kg in the same period of 1982.

With luck, exports this year should exceed 90 kg (12 per cent more than in 1982), but if overseas buyers were to benefit from the full 23 per cent Zimbabwe dollar depreciation, average export prices would be down to about \$245 U.S. cents a kg.

It is, therefore, vital that there should be some boost to domestic prices, not just from the viewpoint of growers seeking higher prices to offset lower export prices, but also from the overall balance of payments viewpoint.

Last year, an auction floor price averaging \$2167 translated into an average export price of \$2350 a kg. Assuming the same relationship between domestic and export prices this

year, Zimbabwe needs an average auction floor price of around \$2180 a kg to maintain foreign currency earnings at 1982 levels.

The consensus view in the trade and among growers is that there is a good chance of a 7.10 per cent rise in auction-floor prices this year to between \$2180-2185 a kg.

But there are two sobering implications. First, if this price increase is to be achieved, Zimbabwe's net tobacco earnings will be no higher than in 1982—and that assumes a 12 per cent increase in leaf volumes. Second, growers are likely to be worse off in net income terms since a 10 per cent price rise would fall well behind the 15 per cent increase in costs.

Merchants expect prices to be restrained this year, mainly by the fact that consumption growth is being inhibited in Zimbabwe's traditional EEC markets by inflation, high tax rates on smoking, health campaigns and unemployment. Last year, just over 50 per cent of Zimbabwean leaf was sold to EEC countries, with Britain (21.5 per cent) being the largest single market. After the EEC, the Middle East (24 per cent) is the second largest buyer, with Iraq (11 per cent) and Israel (4 per cent) being the largest buyers.

By Our Commodities Staff

THE IRONY of Israel's imports is matched by those of South Africa (nearly 7 per cent) as both these countries are major political enemies of the Harare administration.

This year, there are fears that sales to the increasingly important Middle East markets will suffer from the fall in world oil prices and the slow-down in the Opec economies. Buyers from such countries may be tempted by the large, cheap but lower quality Brazilian crop which has emerged as Zimbabwe's chief competitor in several world markets.

There are fears, too, that Zimbabwe's recent bad Press internationally over the dissident campaign in Matabeleland will revive concern, particularly among Western buyers, over the continuity of supplies.

Growers are at pains to point out that although there has been a further fall in the number of producers (to 1,166 this year from 1,357 last year), output is still on an expansionist path having risen to an estimated 93m kg in 1983 from 89m kg last year and 70m kg in 1980. Furthermore, there are no political or dissident problems in the eastern half of the country where fire-cured leaf is grown.

Growers are confident too that the Zimbabwe leaf, with its higher nicotine content, will be sought after by manufacturers of cigarettes and cigars, and cheaper Brazilian tobacco.

But a major disadvantage for the Zimbabwean grower is the cost of transport. The crop is exported via the South African ports at a cost of 21 U.S. cents a kg, which virtually wipes out the benefit of the 25 cents a kg tariff reduction in EEC markets from membership of the Lome Convention. Growers estimate that other tobacco exporting countries spend no more than 5 cents a kg on transport to port.

NEW YORK, April 6. Precious metals rallied early in the day on lower interest rates but lost momentum as the market moved into the afternoon. Copper prices followed suit and suffered minor losses on profit-taking and commissioning cash. The market was also influenced by technical factors, with sugar prices showing a slight recovery after a sharp decline.

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# FT LONDON SHARE INFORMATION SERVICE

## LOANS—Continued

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## BANKS—Continued

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## CHEMICALS, PLASTICS—Cont.

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## ELECTRICALS—Continued.

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## Building Societies

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## FOREIGN BONDS & RAILS

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## AMERICANS

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## BEERS, WINES AND SPIRITS

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## BUILDING INDUSTRY, TIMBER AND ROADS

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## DRAPERY AND STORES

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## ENGINEERING MACHINE TOOLS

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## HOTELS AND CATERERS

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## INDUSTRIALS (Misc.)

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## Over Fifteen Years

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## Undated

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## Index-Linked & Variable Rate

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## CORPORATION LOANS

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## COMMONWEALTH AND AFRICAN LOANS

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## LOANS Public Board and Ind.

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## CANADIANS

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## BANKS, H.P. & LEASING

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## ELECTRICALS

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## FOOD, GROCERIES, ETC.

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

## FOOD, GROCERIES, ETC.

1982/83	High	Low	Stock	Price	Yield	Div.	Yield
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%	100%	100%

**THE MACALLAN DISTILLERY**  
CRAIGELLACHIE, BANFFSHIRE, SCOTLAND

A CERTAIN GENTLEMENLY RETICENCE, the Directors of The Macallan have always maintained, becomes a Malt whose origins are arguably the most hallowed of all Scotch whiskeys.

So, when their Publicity Advisers urged them to make more widely known certain kind remarks lately made by Mr. Gordon Brown in the very Organ of their Trade, Wine and Spirit, there was considerable debate in the Boardroom.

Eventually, the Modern Faction prevailed, and an agreement was reached to allow Mr. Brown's dictum to be reproduced. As a sop to the more traditionally-minded, however, it was decided that the encomium should be confined to a 9pt typeface.

"The single malt against which ultimately all the others will be judged is The Macallan."

Gordon Brown in Wine and Spirit, November 1981.

**THE MACALLAN THE MALT**



## OIL AND GAS—Continued

[illegible]



